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Daily Report
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FBIS-SOV-95-090 *10 May 1995*

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Clinton-Yeltsin Summit

Clinton, Yeltsin Hold Closed-Door Talks 10 May

Talks Said To Center on Security

LD1005092995 Moscow ITAR-TASS in English 0913 GMT 10 May 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, May 10 (Itar-Tass) — The Presidents of Russia and the United States have been talking one-on-one behind closed doors for almost three hours, and it is not immediately known whether the talks with the participation of the delegations from the two governments earlier scheduled to begin at 11.30 Moscow time will be held.

The presidents made a brief break during which Bill Clinton told journalists that he and President Yeltsin had had a very good meeting and worked the whole morning. He said the discussion centred around ensuring the security of the Russian and American nations.

That the talks are very intense and far from easy can be gleaned from the fact that the experts have prepared two versions of the final statements — a joint one and two separate documents.

Also on Wednesday morning, Andrey Kozyrev and Warren Christopher held a meeting in the Kremlin. Itar-Tass learned that they discussed the contract for the delivery of Russian equipment for a nuclear power station in Iran, the situation in the former Yugoslavia, the situation in Chechnya, the situation in Nagorno-Karabakh, and the role of the Organisation for Security and Cooperation in Europe in conflict settlement.

American sources told Itar-Tass that Warren Christopher "expressed the hope that the moratorium on combat activities in Chechnya would acquire a permanent character."

Agree on Five Joint Statements

LD1005101895 Moscow ITAR-TASS in English 0959 GMT 10 May 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, May 10 (Itar-Tass) — Presidents Boris Yeltsin and Bill Clinton emerged from their one-to-one talks which lasted for more than four hours, having achieved an agreement to sign five joint statements and to let the Gore-Chernomyrdin commission consider the dispute about the delivery of Russian nuclear reactors to Iran, the Russian President's press secretary Sergey Medvedev told Itar-Tass today.

Agreement on Transfer of Iran Dispute

LD1005121295 Moscow ITAR-TASS in English 1128 GMT 10 May 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] Moscow, May 10 (Itar-Tass) — Boris Yeltsin and Bill Clinton emerged from their one-to-one meeting behind closed doors in the Kremlin which lasted over four hours having agreed to sign five joint Russia-U.S. statements and to transfer the dispute about Russian nuclear reactors for Iran to the Gore-Chernomyrdin commission for consideration.

The presidents decided not to sign a statement on interaction between Russia and the North Atlantic Alliance.

The statements approved by the presidents of the United States and Russia concern nuclear non-proliferation, European security, nuclear transparency and irreversibility, economic cooperation and the ABM Treaty.

As concerns the content of the joint statements, the Russian presidential press secretary, Sergey Medvedev told Itar-Tass that the statement on nuclear transparency and irreversibility deals [with] the prevention of the military use of nuclear waste and components released by conversion, and control over the storage of this waste.

The presidents confirmed the need for continued economic reforms in Russia. Boris Yeltsin assured the U.S. President that Russia remains on track for further deep reforms of its national economy.

The two presidents agreed to make efforts to accelerate Russia's entry to the system of international economic institutions.

The Russian and U.S. presidents confirmed that the anti- ballistic missile treaty of 1972 remained in effect and agreed to work on the differentiation between the tactical and strategic anti-ballistic missile defence systems.

The dispute about the delivery of Russian nuclear reactors to Iran which evokes considerable anxiety in the United States will be thoroughly studied by the Gore-Chernomyrdin commission and the results of their deliberation will be submitted personally to the presidents of the two countries, Medvedev said.

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Clinton, Yeltsin Hold Joint News Conference

Yeltsin Opening Statement

LD1005131595 Moscow Russian Public Television First Channel Network in Russian 1032 GMT 10 May 95

[Opening statement by President Boris Yeltsin at joint news conference with President Clinton in Moscow — live]

[FBIS Translated Text] Esteemed Mr. President! Ladies and gentlemen, esteemed journalists! This is the seventh meeting between the presidents of Russia and the United States. This visit to Russia by Bill Clinton is of special significance. The participation by such a lofty guest for the events for 9 May is something I see as a tribute of great respect for the feat of our people and for the memory of those who fell in the struggle against the common enemy, fascism.

Before every meeting between Russian and American presidents there is no shortage of speculation on the theme of Russian-American disagreements. Sometimes they even talk about a crisis in our relations. The results of the Moscow talks refute these conjectures, for the unmpteenth time. Of course the difference of approach to a number of problems has not disappeared after this meeting; but the main thing is that we are striving to resolve these problems, to observe a balance of interests, not to inflict damage on each other, but helping each other.

The agenda of this meeting was packed and meaningful. We discussed key issues of international life, and problems that are of priority importance for both countries. This concerns first and foremost the evolution of European security structures, the START and ABM treaties, the strengthening of the nuclear nonproliferation regime, economic cooperation, and terrorism.

It is of fundamental importance that the discussions we have had on the model for European security have taken into account the new role for the Organization for Security and Cooperation in Europe [OSCE]. This organization is today beginning to play a central role in ensuring stability on the continent of Europe.

We have exchanged views on the NATO problem. We now understand each other's interests and concerns better. Nevertheless we have found no solution to a number of issues. Our position remains the same. I hope that our joint statement on questions of strengthening security in Europe will be the point of departure for us to continue further work, since it provides for cooperation in creating a single indivisible Europe which looks to the future.

We agreed on a serious document now on the problem of the ABM treaty. We have adopted a joint statement on nuclear non-proliferation. I believe that this agreement [dogovorennost] will make a meaningful contribution to the conference in New York adopting a decision on extending unconditionally and indefinitely the Non-Proliferation Treaty. The conference will probably end tomorrow.

The question of Russia's future supplies of equipment for a nuclear power station in Iran was raised at the talks. Of course, this is not a simple question and you are sure to ask it, and we, both presidents, will give an answer to it.

We had a detailed talk on the implementation of the economic charter that we signed last year. As a result, we have adopted a statement on issues of economic reform, trade, and investment. The President of the United States expressed support for our reforms, and we agreed to speed up the process of Russia's entry into the system of international economic institutions, and Cocom [Coordinating Committee for Export Controls] in particular.

Of course, we discussed the issue of Chechnya. This is Russia's internal affair, but I think there is an external aspect to it. Russia has given its agreement to a visit to Groznyy by a group working with the OSCE.

Terrorism knows no national boundaries. To our most profound regret, both the citizens of the United States and the population of Japan recently came face to face with this. I think everybody will agree that joint efforts are needed to fight this evil, and we have agreed on this.

During the talks we had a useful exchange of views regarding the meeting of the political G-8 in Halifax — not only political but the economic one, too. We discussed a number of other international problems, too. Now I am ready to answer your questions.

Clinton's Statement

LD1005135895 Moscow Russian Public Television First Channel Network in Russian 1047 GMT 10 May 95

[Statement by U.S. President Bill Clinton at joint news conference with President Yeltsin in Moscow — live, in English with simultaneous translation into Russian]

[FBIS Translated Text] First of all, I would like to thank President Yeltsin and the Russian people for making me and the rest of our American delegation — who came here for the celebration of the 50th anniversary of the

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victory in World War II — feel welcome. We feel we are part in the ceremony and are met with hospitality. I think it is very important for our countries and for our relations. Today we focus on the future. If you try to ask me to summarize everything that has happened today, I would say we have moved forward the security interests of the American and Russian peoples, we have increased the security of our peoples. We proved once again that this kind of disciplined, regular, working relationship that we stick to is our commitment to democracy so as we could work together and take our discrepancies into account, could carry out that balanced dialogue. All this is worth doing, and the work we are putting into this is an investment.

I am describing our meeting from the security point of view on a number of issues. First of all, European security. Although we have not reached an agreement between us as far as details of the NATO expansion are concerned, Russia has agreed to join the Partnership for Peace program. For my part I will encourage the NATO-Russia dialogue. I think there should be a special relationship between NATO and Russia. We will discuss this in Halifax, and also at the end of the year when we meet again.

I think that anything related to NATO should meet two criteria. First of all it should move forward interests of all partners for the sake of peace, including Russia, and the issues of security, including Russian interests. Second, an integrated Europe should be created. I consider this very important and Russia shares our opinion.

As regards the nuclear deliveries to Iran, as you know, the United States is against the delivery of nuclear power stations to Iran. President Yeltsin told me that he had decided in the interests of security and nonproliferation not to supply the centrifuge to Iran.

I shared with him our information that we had managed to learn that Iran is planning to become a nuclear power and the fact that it is necessary to confirm this and this is reflected in the Russian adherence to the regime of nonproliferation. This question must be examined in the Gore-Chernomyrdin commission.

We achieved success in the unresolved questions connected with the supply of weapons and questions that enable Russia to become a member of the regime of the Coordinating Committee for Multilateral Export Controls.

We agreed to ratify the Start II Treaty and further reduce our nuclear arsenals. Further, we agreed to jointly fight the evil of terrorism not only as this affects our countries but also in whatever corners of the world it makes itself known.

We will increase our efforts in this direction and President Yeltsin said that he supported the nonproliferation regime and supports the permanent and unconditional extension of this treaty, and we hope that it will soon be completed.

We also reached agreement on the ABM treaty and on questions connected with ABM theater weapons. We also spoke about economic cooperation, and about the progress being made in Russia; and I confirmed the concern that is felt in the United States on questions connected with Chechnya and appealed to him that a cease-fire should be declared and that this question should be resolved as quickly as possible.

I consider that we today are in a better position thanks to our meeting. Progress was achieved on security and those other questions.

Thank you for your attention.

Question & Answer Session

LD1005141995 Moscow Russian Public Television First Channel Network in Russian 1053 GMT 10 May 95

[Joint news conference by Russian President Boris Yeltsin and U.S. President Bill Clinton with foreign and domestic correspondents in Moscow; moderated by Sergey Medvedev and Michael McCurry, Yeltsin and Clinton's press secretaries; Clinton and Western correspondents in English with simultaneous Russian translation — live]

[FBIS Translated Text] [Medvedev] Now, esteemed colleagues, you can ask questions. I would like to remind you that we will take turns with my colleague, Michael McCurry, press secretary of the U.S. President, to give you the floor. The first question, please, from Russian Public Television.

[Sergey Dorenko] Boris Nikolayevich, before the talks started both sides had been very categorical in dealing with contentious issues. Are any concessions possible now, say, on the issue of NATO? On the whole, is there any system of trade-offs? You would concede on the issue of NATO while President Clinton would reciprocate, for instance, on the flank limitations in south Russia? In general, if both sides refuse to make concessions what will be the results of President Clinton's visit?

[Yeltsin] I must say that no, we did not have such a system of trading in our talks. For instance, as regards the flank limitations, on the contrary, Bill was the first

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to raise the issue and said that he would necessarily support us on this difficult issue because this issue seems to have become a kind of trap for us, indeed. As regards NATO, here the issue should be raised more broadly as that of European security and NATO. We cannot say that after long discussions today on this subject — we even had to alter today's schedule because our meeting continued virtually nonstop — and we failed to place a full stop today. We agreed in the following way: Things being as they are, we should not rush the issue and should continue with our consultations at our meeting in Halifax, Canada. Further, we think that we will fail to agree in Halifax and we are likely to need yet another meeting in October at the 50th anniversary of the United Nations in New York. We will meet there once again and, perhaps, a final accord will emerge there.

[Clinton] May I also comment on that question? I think that both sides won here on this question. I think that both sides advanced the interests of their peoples. As for European security, what was important for me was not that Russia and the United States should come to agreement right away, today, about the expansion of NATO. It is important here for everyone to realize that even NATO has not yet made such a decision. For the whole of this year, 1995 ought to be devoted to working out why NATO should expand, and then it will be time to decide how to do this, how to conduct this. No decisions are being adopted about who will be included, who will be making the decisions. So, we have not reached that point, but since, who knows, perhaps there are still disagreements within NATO itself. What is important here is that we presidents have agreed that our aim is European integration. We do not want to see a divided Europe. Our plans for expansion of NATO must advance the security interests of all our partners, including Russia. As for myself, I have not changed my position concerning how this should be done.

The second thing I wanted to say — and this, it seems to me, is the most important thing — is that Russia has agreed to participate in the Partnership for Peace program. This is important in itself. This will increase trust and cooperation throughout Europe.

As far as flank limitations are concerned, we have not worked out all the details, but we did agree to continue work on this. The problem is this: The treaty comes into force on a given day, but the accords were reached earlier. There is also time allowed for changes in the treaty itself. We support the Russian position. We want to sort out how to preserve the principle of the treaty and, at the same time, guarantee Russia's security.

[Unidentified correspondent] Mr. President, you have already said that you would not be satisfied with anything less than a renunciation of the delivery of a nuclear electric power station to Iran. But today you have told us that you have not been able to settle this question and that it will be settled at a lower level. Do you feel any disappointment? Or, as you publicly announced, will you not give financial aid to Russia because of this?

[Clinton] First of all, I want to tell you that this sale, this delivery is legal as it was arranged before this. In my opinion this deal should not be carried out, but, as I said, President Yeltsin explained to me that though this entails certain financial losses, nevertheless, as far as it concerns the potential for making weapons, he will take this into account. I listed all my reasons why we believe that this delivery should not be carried out, but there is an aspect here that needs to be assessed from the technological point of view, and the Gore-Chernomyrdin commission, which has already done a lot of fruitful work, is a good mechanism for holding additional consultations. As to arguments concerning the cessation of aid to Russia, I would say just look what progress has been achieved during the past few years and ask yourself whether we, in the United States, feel more secure. I would say yes, and we must approach this issue in a businesslike way. This issue furthers the security interests of both our countries, and I believe that the programs that we have make it clear that they are in our interests.

[Yeltsin] I would like to add to what Mr. Bill Clinton has said. The point is that the contract was concluded legitimately in accordance with international laws and did not violate any international treaties. But in the contract there are indeed elements of civilian and military power engineering. We have now agreed to split these and as far as the military part is concerned, the possibility, let us say of the creation of nuclear weapons-grade fuel or other issues about centrifuges, the construction of shafts, we have decided to exclude these issues from the contract. So, the military section falls away and only the civilian atomic power station with light water reactors remains, which is meant to provide heat and power.

[Medvedev] Questions please, colleagues.

[Unidentified ITAR-TASS correspondent] Boris Nikolayevich, I would like to ask you to specify, if you can, what the mechanism will be for making this decision on the Iran contract. That is, judging by what Mr. Clinton has said, the documents are to be handed to the Gore-Chernomyrdin commission. Who then will make the decision? Will a report be passed to the heads of state or will there be some kind of separate procedure for making the decision?

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[Yeltsin] After the Gore-Chernomyrdin commission has carried out a comprehensive review, these documents will be given to us, the presidents, and the presidents will make the final decision on the matter.

[Unidentified moderator] Helen Thomas of UNITED PRESS INTERNATIONAL.

[Thomas] President Yeltsin, does it not seem ironic to you that the 9 May festivities have ended, but the murders of the civilian population continue in Chechnya? Also, what do you intend to do to put a stop to this?

[Yeltsin] To begin with, there are no military operations in Chechnya. So there is no irony here. What is going on now — the Armed Forces are not participating there — and now, that is, the Ministry of Internal Affairs is simply confiscating weapons that some small bandit groups still have. The most important thing is that constructive work is now being conducted. Houses are being repaired and built, mains services and shops, we are making sure finance is available. A Chechen government, headed by a Chechen, has been formed, which is working on the basis of the Russian Constitution, and the dates for parliamentary elections are being discussed. So, constructive work is in progress, and gradually — I think it will be soon — the situation there will be a normal one for a democratic republic, with all the rights that ensue from that for the citizens living in Chechnya.

[Semenov] Yuliy Semenov, Mayak radio station. My question is this: People have been literally stunned by increasingly brutal acts of terrorism. You said, Boris Nikolayevich, that you had discussed this, and that you had agreed on joint actions. Could you expand on this a little and tell us what you agreed? I would be grateful to you both for at least a brief answer to this question. Thank you.

[Yeltsin] We first convinced one another that this evil in the world cannot be dealt with without joint efforts. We need joint actions, joint actions, not conversations, not conferences, not meetings, but action. Of course our conversation regarding the actions was not at all specific. But we are instructing our governments to work out the actions, and to start implementing them immediately.

[Clinton] He asked for an answer, I would like to answer as well. We did not reach agreement on a number of points but we agreed on what we thought would be useful. President Yeltsin, I, and many other world leaders are concerned that the threats to security in the 21st century might not be those we have been anticipating — those that we have been discussing here over the last few minutes — but they might come from nongovernmental, nonstate sources, from terrorists, mafias, and those who could obtain nuclear weapons, that these could get into the hands of terrorists. So we discussed how we could cooperate more with law enforcement and intelligence. [preceding sentence heard in English but omitted by interpreter] I think you know that the FBI is opening an office here in Moscow and we have been working with Russia on this issue for some time now. We are discussing how we can have the most advanced technology, and we have been discussing how we might work together to restrict the destructive capacity of terrorists and organized criminals, so that chemical and biological weapons do not fall into the hands of these elements. Bearing in mind what happened in Japan, I think that all states should be concerned at the prospect of terrorists obtaining chemical and biological weapons of mass destruction.

[Unidentified correspondent] President Clinton, you have just heard President Yeltsin describing the situation in Chechnya. Perhaps this description differs from the way the situation in Chechnya is covered by the press. What is your reaction to President Yeltsin's description. Do you agree with it? How will this situation influence the country that wants to become a NATO member?

[Clinton] I will tell you what I have already told the president, and what Chancellor Kohl and Russia's other friends have already said: Civilian casualties and continued fighting have troubled the rest of the world and have had an impact on Europe, on the attitudes of a number of countries to what is going on here, in this country, and to what future relations with Russia should be. I have urged President Yeltsin to declare a permanent cease-fire and to work with the Organization for Security and Cooperation in Europe to resolve this issue as rapidly as possible, because the world is greatly worried by this problem, especially by civilian losses. All U.S. journalists know that we have lost one of our own citizens in Chechnya, and I have asked the president to do all he can to find out about the fate of our missing citizen. This worries us and the whole world, and this question is very complex for Russians themselves.

[Medvedev] I am looking at the time. Maybe we will agree, Mr. McCurry, to ask one more question each. INTERFAX, Terekhov.

[Terekhov] Thank you. Esteemed Boris Nikolayevich, you are to have a meeting in Halifax with the G-8. Do you hope to improve the results achieved at the former such meeting in Naples? Was there anything during your present talks with Bill Clinton...[pauses]

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Was there anything said that Bill Clinton would help you in some way, would support some of Russia's aspirations? If possible, esteemed U.S. President, the question comes not only from INTERFAX, but from INTERFAX UKRAINE as well, what will you be bringing with you to Ukraine?

[Yeltsin] Whoever I met during these days of celebration, with each of them the question of Halifax was discussed of course. I, and Russia, are of course anxious about our role in the G-7 or the G-8. That is why today, for instance, we met this morning at 0900 with Canadian Prime Minister Chretien — who will chair the meeting — to find out his views on this problem. I also talked with Bill Clinton and Helmut Kohl, and with Mitterrand, but all seem to have an optimistic view of this issue and want to give support to Russia. For instance, Mr. Chretien said such words today: Russia will have three times as many opportunities in Halifax as in Naples last year. Well, that is not bad. Our minimum, on which we are counting, is as follows: We believe that the political G-8 is already installed, and we are in the political G-8. As to economic issues, in Halifax it will be the other way round — first the internal economic issues of the G-7 itself will be examined, and after that, so to speak, global, international economic issues, issues of the whole world will be discussed.

As to internal issues, we do not aspire to participate in discussing them, they will discuss there their own particular problems, important trade or economic questions for countries in the G-7. But as to global, strategic, and economic world issues, Russia must have full participation in that discussion. So I think we can call it G-7.5. [laughter]

[Clinton] In response to your question, the United States, since I have been president, has been supporting conversion in Russia and the transition to the market economy, and supports the institutions that can ensure this, and also the Nunn-Lugar efforts to remove nuclear weapons.

We are very glad that the stand-by loan was obtained from the IMF as a result of the reforms that were started by President Yeltsin and I consider that your country can be justly proud of the economic progress that has already been achieved. I know that you are coming up against many economic difficulties. All market economies face analogous problems that are similar in many ways.

I consider that our partnership is a good investment for the United States because we get a freer and more democratic Russia.

As regards Ukraine, they have in the past year made a big leap forward and I am very glad at the balance and discipline of the Government of Ukraine and I will support the process of reforms.

[Unidentified U.S. correspondent] President Yeltsin, several U.S. officials, including the Secretary of State, have suggested that if you supply the nuclear power station to Iran this could rule out Russia becoming a full member of the Seven and that this could jeopardize receiving additional aid from the United States. Does this kind of threat play a role, or has what President Clinton explained to you about this situation played a greater role, do you still have doubts about Iran's nuclear ambitions?

[Yeltsin] We are not afraid of threats. We do not react to threats. As for this issue, I and Mr. President have already told you that technically speaking it is necessary to thoroughly examine the issue, namely what concerns military issues and what concerns nonmilitary issues. This is up to the Gore-Chernomyrdin commission to decide. When we two presidents receive a document from this commission with two signatures, the final decision on the issue will be taken.

[Clinton] I think it might be a good idea for this question to be the last, closing the news conference. I think it is important that the peoples of the United States and Russia understand that from time to time, as in any relationship, there will be some kind of disagreement. At times our interests may even diverge. What we have been working on for more than two years is the area in which our interests do not differ, our opinions might differ. As for Iran and these supplies, if the United States is right and Iran really does intend to develop nuclear weapons this would be a more direct threat to Russia than to the United States since you are neighbors.

Both countries are against terrorists. Both countries are for nonproliferation. Both countries are implementing their obligations under START I ahead of time. However, some differences are going to arise sometimes. If there is something we disagree over, we all know that there can be various consequences, but we have to be very careful how we choose our words and avoid any kind of threat. Our world can become safer, democracy in Russia and the market reforms are progressing much more successfully than anticipated, we can see more progress on thorny issues than exports. As a result, the people of Russia, the United States, and the whole world are safer than two years ago or until our meeting took place today. There will always be some differences, but we should not resort to words like threat when we are speaking about the kind of things that can be settled for

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the benefit of the whole. Thank you for your attention.

[Yeltsin] Bill, excellent.

Summit Refutes 'Conjecture' on 'Crisis' in Ties

MM1005145795 Moscow IZVESTIYA in Russian 11 May 95 p 1

[Report by Vasiliy Kononenko and Konstantin Eggert: "Bill Clinton Leaves Moscow With a Sword, After Agreeing on Five Joint Statements With Boris Yeltsin"]

[FBIS Translated Text] Holidays are invariably followed by ordinary working days. That rule is entirely in accordance with the events that began in the Kremlin on the morning of 10 May.

First, Canadian Prime Minister Jean Chretien arrived at the Russian Federation president's residence; U.S. President Bill Clinton's impressively large limousine swept up to the door soon after. The high-ranking guests were greeted not only by officials, but also by two infantry combat vehicles that were installed at the Spasskiye Gate beneath the Russian president's windows.

Boris Yeltsin did not spend long with the Canadian premier. And, as was implied by his remark during the meeting, he "did not want to remain in the Canadian leader's debt," referring to their upcoming meeting in June at the G-7 summit in Halifax. Then, leaving the Canadian guest, the president went to the Kremlin's St. Catherine's Hall, where his meeting with Clinton began.

From the two presidents' brief greeting remarks, journalists learned that the U.S. President is happy with his stay in Moscow: "Yesterday was a wonderful day," he said. Yeltsin again thanked the guest for coming to celebrate "our common Great Victory" and noted: "I hope our contacts will give impetus both to the partnership and to our personal friendship...." Then the heads of state, in the presence of interpreters and aides, got down to tackling the problems, a good many of which have accumulated in bilateral relations. This is confirmed if only by the fact that Clinton's aide handed him a whole bundle of notes printed on small-format cards.

At a joint press conference given by Boris Yeltsin and Bill Clinton, the preliminary results of the talks were presented. The Russian president said, in particular, that the Moscow meeting had refuted conjecture about a crisis in Russian-U.S. relations. But he also admitted that it had not proved possible to resolve all the problems. In particular, answers were not found to a number of questions concerning the expansion of NATO. At the same time the heads of state managed to achieve accords on the following questions: the acceleration of Russia's admission to international economic institutions, including COCOM; Russia's inclusion in the "Partnership for Peace" program; the ratification of the START II Treaty; and the presence of a group of OSCE [Organization on Security and Cooperation in Europe] observers in Groznyy.

The discussions took place in the context of the leading European states' toughening of their stance on the Chechen crisis. According to reports from Western sources, FRG Chancellor Helmut Kohl, talking with President Yeltsin on Tuesday, stated: From now on, questions of economic cooperation between Russia and the European Union will be closely linked to the situation in Chechnya. The change in the position adopted by Bonn, which had formerly not been particularly critical of the Kremlin's actions in the North Caucasus, could also affect the U.S. Administration's views.

Moscow did not revise its position on the question of the Russian-Iranian nuclear deal as a result of the Kremlin talks, despite U.S. Defense Secretary William Perry's statement that the American side has sufficient evidence that Iran is stepping up operations to create nuclear weapons.

On the eve of the talks one Russian diplomat who wished to remain anonymous told your correspondent: "We have been discussing with the Americans whether or not Tehran has nuclear ambitions since 1992. In that time they have not once managed to produce any serious evidence whatever to support the theory that it does." According to our interlocutor, Iran is regularly inspected by IAEA [International Atomic Energy Agency] representatives, who have not yet succeeded in finding anything prejudicial. "Even if the Iranians decide they want the bomb, according to our assessments it will take them 10 years and cost at least $10 billion. Tehran does not have that kind of money."

All the indications are that the Kremlin's stance met with the support of British Prime Minister John Major and Canadian cabinet head Chretien. According to our information, they made it clear to Boris Yeltsin that they consider the fuss the White House has made over the Russian-Iranian deal to be excessive. In the event, the presidents agreed to pass the "Iran question" over to the "Gore-Chernomyrdin commission" for examination.

At the end of the talks Yeltsin presented Clinton with a symbolic sword of Victory, made by Russian armorers. It reposes in a carved oak case. Similar swords, as we have learned, have also been made for presentation to representatives of the two other powers of the anti-Hitler coalition — Britain and France.

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Other VE Day Events

Yeltsin Comments on 9 May Parades, Ceremonies

LD0905152795 Moscow ITAR-TASS in English 1447 GMT 9 May 95

[By Andrey Serov]

[FBIS Transcribed Text] MOSCOW, April 9 (Itar-Tass) — Russian President Boris Yeltsin today expressed full and complete satisfaction with the parade of war veterans on Red Square and the military march-past at Poklonnaya Gora.

"I never saw anything like it, either at home or abroad," the President told Itar-Tass. "My wife could not hold back tears as she watched the veterans march past", he said.

As concerns the addresses by the leaders of foreign countries at the opening of the Victory memorial at Poklonnaya Gora, Boris Yeltsin said, "Everything was said correctly".

As regards his meeting with German Chancellor Helmut Kohl, Boris Yeltsin said the position of the German leadership with regard to the advisability of the Russian-Iranian contract for the delivery of equipment for a nuclear power station and with regard to the "Chechen problem" was "not as tough as that of the Americans".

Yeltsin, Foreign Leaders Attend Kremlin Banquet

LD0905145795 Moscow ITAR-TASS in English 1435 GMT 9 May 95

[FBIS Transcribed Text] MOSCOW, May 9 (Itar-Tass) — President Boris Yeltsin today hosted a festive reception for participants in the Great Patriotic War, labour veterans, the leaders of official delegations from component parts of the Russian Federation and foreign countries, members of the Government, representatives of the Federal Assembly and Federal judiciary, as well as representatives of the country's various religions, trade union, women's, youth and other public associations.

Also present were cultural figures, scientists, diplomats and artists.

Yeltsin Address at Banquet

LD0905165795 Moscow NTV in Russian 1449 GMT 9 May 95

[Speech by President Boris Yeltsin at a banquet commemorating Victory Day in the Kremlin on 9 May — live or recorded]

[FBIS Translated Text] Dear Fellow Countrymen, Veterans, Esteemed Foreign Guests, Ladies and Gentlemen:

We are marking a great date today: World War II in Europe finished exactly 50 years ago; at the same time for Russians it is the sacred holiday of victory in the Great Patriotic War. The veterans are of course the heroes of the day. And the first words are addressed to them.

All who remember the war bow their heads in gratitude before the soldiers from the front. You, dear friends, delivered your fatherland and the peoples of many countries from fascist servitude. The centuries will pass, but I am sure that future generations of Russians will remember those who met their death near Moscow and Stalingrad, the heroes of the Orel and Kursk battle and of the assault on Berlin. Grateful humanity will always remember your generation as the generation of victors and liberators.

I welcome and congratulate the soldiers from the front who live in all countries of the Commonwealth of Independent States and beyond their borders. You walked shoulder to shoulder on the roads of war. Our people are bound in fraternity by blood shed in the name of life.

Time will not affect the greatness of all that we lived through in the war. It was an extraordinarily hard but a very glorious time. These are the words of Marshal of Victory, Georgiy Konstantinovich Zhukov. Henceforward the bronze statue dedicated to the military leader and the memorial to the unknown soldier in the Great Patriotic War will stand symbolically for centuries in the very center of Moscow. On this day, we will give thanks to all heroes of this war, both those who have died and those who live. As the poet wrote, they have had their say and will be forever right.

Esteemed Heads of State and Government, I am grateful to you for coming to Moscow, for sharing with the Russians our mutual holiday. I see in this a deep respect for the feat of our people, for the great sacrifice which they laid on the altar of victory. France, Italy [station ends live relay of Yeltsin's speech]

Foreign Participants' Toasts Quoted

LD0905191995 Moscow ITAR-TASS in English 1848 GMT 9 May 95

[FBIS Transcribed Text] Moscow, May 9 (ITAR-TASS) — Leaders of Russia, France, Great Britain, Germany, and the United States toasted to heroism of soldiers who fought Hitlerism during WW2, and expressed their hope for lasting peace in the world, at a Kremlin VE-day banquet on Tuesday [9 May].

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Russian President Boris Yeltsin said: "We bow our heads with gratitude to the front-line soldiers who liberated mankind from fascist slavery."

Addressing foreign state and government heads, the Russian President thanked them for coming to Moscow and sharing the common holiday with peoples of Russia.

Yeltsin praised the role of states-members of the anti-Hitler coalition in the second world war.

Speaking of today's reality, the Russian state head noted "we are living in a single world, and Russia is stretching a hand of partnership and friendship to all countries." In the words of the President, "we have forever abandoned the notions of totalitarianism and ethnic hatred."

British Prime Minister John Major on Tuesday said that Europe is no longer divided and praised new Russia for claiming its European identity.

"Tonight, in Moscow, we bow our heads to those sacrifices fifty years ago. But we also rejoice that Europe is no longer divided, that a new democratic Russia is reclaiming its European identity and that, at last, we are working together to realise the lost opportunities of 1945. This time we have to get it right," Major said.

The Prime Minister proposed a toast: "to the memory of those who fell in war, that our countries today might live in future, in peace."

Addressing the banquet, German Chancellor Helmut Kohl said that "here in Moscow we bring back to mind the millionfold tragedy which Hitler's war inflicted on Russians and the other peoples of the Soviet Union. Ghastly crimes were committed. I bow in tribute to the dead and I grieve with the mothers, the widows and the orphans".

"We want to live together with a democratic Russia as friends and partners in a free and peaceful world", he said.

In his last major appearance on the international stage, outgoing French President Francois Mitterrand said that he had come to Moscow "to bow his head before the great people and Russian soldiers who died in the war". He called for peace in those regions where conflicts are still going on these days.

UN Secretary-Genral Butrus Butrus-Ghali stressed that the 50th anniversary of the Victory coincided with that of the United Nations. He reminded that already in 1945 the founders of the United Nations were determined to save the succeeding generations from the scourge of war.

"I call upon you, the world leaders assembled here today, to continue your supports in this great enterprise to enable the family of nations to face the future with confidence," the Secretary-General said adding that "it is our duty to let a strong United Nations be our legacy to the children of peace."

U.S. President Bill Clinton stressed that only a united world can face challenges to humanity.

The President mentioned that the Great War has left at least two major lessons for a lifetime, "the extraordinary power of men and women who join together to fight for a just course" and the "resilience of hope."

"Together we can face the challenges to our humanity in this age, terrorism, the proliferation of weapons of mass destruction, and the continued lust for killing based on ethnic, religious or trible differences," Clinton noted."

"Our nations prevailed (in the war) because they never lost hope. Let us renew that hope tonight," he said.

Clinton proposed a toast "to the hope that will carry us onwards to miraculous new days" and to "the heroism of 50 years ago, to the honour of the Russian people and the other Soviet peoples in what they gave to us."

Mitterrand Toast Cited

LD0905203895 Paris France-2 Television Network in French 1800 GMT 9 May 95

[FBIS Translated Excerpt] Moscow was the capital today, after London and Paris, of the victory over Nazi Germany. All the Western heads of state were at Russian President Boris Yeltsin's side for the homage to the 27 million Soviet people who died during World War II. For Francois Mitterrand, the day also marked his last big occasion on the international scene. Dominique Derda and Jean-Francois Bernigaud report:

[Derda] [passage omitted] The agenda had Mitterrand making a brief speech after the inevitable toasts. However, for his last trip abroad as head of state and for such a solemn occasion, he spent about a quarter of an hour, without referring to any notes, urging peace and reconciliation:

[Begin Mitterrand recording] Paradox wills it that, at the very moment when this effort of unity and mobilization for peace is taking place, there is a kind of impetus toward the fragmentation of the unifying forces. This answers a different need that must be understood—the need to be oneself, the need not to be crushed or dominated by a more powerful culture or a more powerful people. Freedom and peace can only be safeguarded—let me express my own conviction—by democracy; in other words, it can be safeguarded by peoples, by all people, being able to choose their own destiny. If there is an attempt to impose a system on

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them by interest groups or minorities either internally or externally out of a desire for conquest, then we will slide back into the tragedies experienced in previous centuries. So, I have come to hail peace. Thank you. [end recording]

[Derda] Mitterrand did not mention Chechnya even once, but the allusion was clear enough. The representatives of the 50 nations invited to Moscow gave him a unanimous standing ovation. [passage omitted]

Yeltsin Praises Veterans at 10 May Gathering

LD1005121695 Moscow ITAR-TASS in English 1145 GMT 10 May 95

[By Dmitriy Zlodorev]

[FBIS Transcribed Text] MOSCOW, May 10 (Itar-Tass) — President Boris Yeltsin cordially congratulated this Wednesday World War II veterans on the VE-Day, who gathered at the Russian Army Central Club.

"You became true heroes and did your best to save humanity from fascist slavery and to defend its future," says a message read out by vice-premier Aleksey Bolshakov. "We bow our heads before the generation of war veterans and deeply mourn for your war comrades who fell in the battlefields."

Yeltsin also noted that "the leaders of the countries of the anti-nazi coalition displayed courage and sagacity" 50 years ago, "by bringing closer nations for the sake of achieving a common goal.

"This should serve as an example for the present generation of politicians. Such problems as regional conflicts, ethnic strife and ecological disasters can be resolved only by joint efforts."

The gathering included representatives from 53 states. No borders or political differences exist for them. Russia, the United States, France and Britain, all the continents of the world met at the Victory celebrations.

The sparkling of orders and medals, like radiance of thousands of small suns, warmed hearts. Veterans honoured with a minute of scilence the memory of their frontline friends, victims of concentration camps and all those who did not live till the great day.

Meetings, Activities, Interviews

Kozyrev, Christopher Discuss Iran Nuclear Deal

LD1005105295 Moscow INTERFAX in English 0944 GMT 10 May 95

[FBIS Transcribed Text] MOSCOW, May 10 (Interfax) — The American Secretary of State Warren Christopher told journalists Wednesday [10 May] after a meeting with his Russian counterpart Andrey Kozyrev that he and Kozyrev had discussed a number of problems, including the question of Russia's cooperation with Iran in nuclear power engineering. As Christopher noted, they will ask their presidents to make a joint statement on the issue.

Meanwhile, circles in the Russian and American delegations have expressed doubt to an Interfax correspondent that such a joint statement is feasible.

The foreign department heads also discussed European security. As Christopher reported, the Americans had familiarized the Russians with their vision of European security.

According to Christopher, when the Chechen crisis was discussed, the Americans expressed the hope that the temporary cease-fire, imposed by the Russian leadership on fighting in Chechnya, would be permanent.

Kozyrev, who was present when his counterpart made this statement, refused to comment on it.

Yeltsin, Ukrainian President Meet in Moscow

LD0905170495 Kiev UNIAN in Ukrainian 1600 GMT 9 May 95

[FBIS Translated Text] Moscow—Ukrainian President Leonid Kuchma met Russian President Boris Yeltsin on 9 May, a UNIAN correspondent reports from Moscow. The meeting was of a protocol nature, with no serious discussions on bilateral cooperation problems having taken place.

Kuchma said that a more specific dialogue would be held in Minsk on 26 May at a meeting between CIS heads of state. The presidents, in particular, will look at Yeltsin's future visit to Ukraine.

After laying wreaths at the Tomb of the Unknown Soldier, the Ukrainian president talked to Muscovites. He said that "nobody will succeed in causing Ukraine and Russia to quarrel." He added: "Those politicians who will try to drag the people of Russia and Ukraine into war will be damned."

Yeltsin Meets With German Chancellor 9 May Confirms Plan for Delivery to Iran

LD0905173495 Moscow INTERFAX in English 1719 GMT 9 May 95

[FBIS Transcribed Text] Moscow, May 9 (INTERFAX) — Russian President Boris Yeltsin told German Chancellor Helmut Kohl at their meeting in the Kremlin today that Russia would deliver equipment for the nuclear power station in Iran, the Russian president's Advisor

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on International Affairs Dmitriy Ryurikov, who participated in the meeting, told INTERFAX.

According to Ryurikov, Yeltsin confirmed that Russian equipment to be delivered to Iran could be used only for peaceful purposes. "Nobody should be concerned about this," Ryurikov added.

He said the two leaders had "briefly" discussed the Chechen problem. Yeltsin said he was sure that the measures for normalizing the situation would be productive and would result in law and order in Chechnya.

According to Ryurikov, Yeltsin also said he believed that Chechnya would remain a Russian republic and would be ruled by Chechens themselves.

Ryurikov told an INTERFAX correspondent that Yeltsin and Kohl had not in fact discuss NATO expansion to the East.

Ryurikov quoted Kohl as saying that German was interested in the Russian and U.S. leaders clarifying the NATO issue during their meeting in Moscow on Wednesday. Ryurikov said Yeltsin had confirmed the position of Moscow under which "hasty enlargement of NATO is unreasonable."

According to Ryurikov, Yeltsin said he hoped that he and Bill Clinton would for the first time discuss the NATO problem in detail during the coming summit.

Ryurikov said the German chancellor had confirmed his intention to pay an official visit to Russia at the invitation of the Russian president. However, the exact date for the visit has not yet been fixed.

Ryurikov said the meeting between the two leaders was "traditionally friendly" and had started with "Russia's traditional three-time kiss."

The Russian president's press service said Yeltsin had characterized the visit of the German leader to Moscow during the Victory celebration as confirming that Russian-German relations had entered quite a new phase.

The two leaders discussed the schedule for their working contacts in the near future.

Presents Timeframe on Chechnya

LD0905182695 Cologne RTL Television Network in German 1645 GMT 9 May 95

[Interview with German Chancellor Helmut Kohl by correspondent Peter Kloeppel in Moscow on 9 May; from the "RTL Aktuell" program— recorded]

[FBIS Translated Text] [Peter Kloeppel] Was it difficult for you to come here today?

[Kohl] No. This is a day on which we look back 50 years. If we cannot look forward on a day like today, we have no future at all. In other words, Germany is represented here for the first time in 50 years as an equal partner; that is the gateway to the future.

[Kloeppel] Over the last few weeks, there has been plenty of criticism regarding Russian troops in the northern Caucasus. Foreign Minister Klaus Kinkel says Russia is in violation of the OSCE [Organization for Security and Cooperation in Europe] treaty. Is Russia still a trustworthy partner for us?

[Kohl] To maintain peace in Europe—and to me peace in Europe always includes keeping peace with Russia—if we approach the Russians—a proud, great people with a great history and a great culture—it would be a folly of fatal proportions if we think: They have lost the Cold War. The Wall is gone. Communism is gone, and now we can maneuver them into a corner.

[Kloeppel] Did Yeltsin make any concessions to you regarding Chechnya?

[Kohl] He said again clearly that his interest lies in ending the fighting as soon as possible....

[Kloeppel, interrupting] He did not give a timeframe?

[Kohl] He did, but the meeting was private. I do not intend to go into detail about what was said.

[Kloeppel] Last question. What has been your most memorable personal impression during these last few days marking the end of the war?

[Kohl] I think the dominant feeling during these last few days and again here today has been that—irrespective of what was done in the name of Germany—people have said: Thank God you are back. That is how I would put it.

I think that everything will be all right as long as we are open, ready to help, and project to the outside world that we in Germany are hardworking. Above all, however, I think we are in good shape for the 21st century as long as our humanity is not put in the shade by economic overenthusiasm and as long as we are hardworking, open, and work for the cause of peace.

German Chancellor Interviewed on War Memories

LD0905214895 Moscow Russian Television Network in Russian 1943 GMT 9 May 95

[Interview with German Chancellor Helmut Kohl by unidentified correspondent in Moscow on 9 May; inter-

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view in German with superimposed Russian translation — recorded]

[FBIS Translated Text] [Correspondent] Herr Chancellor, just imagine for one minute that you are here in Moscow on 9 May, not as the head of Germany but as an ordinary person. What would you have felt?

[Kohl] I do not separate these feelings. Of course, I am the leader of Germany. But when it comes to feelings I am just Helmut Kohl. My first impressions were formed 50 years ago — these are quite concrete memories. I was 15 years old then. And now, or to be more precise the day before yesterday 50 years ago, Americans were the first to enter Germany. My friend and I ran away and walked 500 km across Germany to get home. We almost starved to death. The times were very hard.

As to me personally, this was a very difficult experience for me, because I was separated from my parents and because American troops had arrived in the Palatinate, where I was born, six weeks earlier. Not long before then, my brother had been killed. These were my private sufferings. Today I visited the grave of the unknown soldier. Young Russian soldiers stood there, and at that moment I thought about my own sons who are of the same age and who are reserve officers.

At the soldiers' cemetery in Lyublino I laid a wreath on the German graves. Relatives of the soldiers who died as prisoners-of-war here in 1946 and 1947 were there. There I saw several people who returned to Germany from captivity in Russia only in 1951. You know the feelings I experienced were suffering and grief. Being German, I, as Helmut Kohl, feel ashamed about what happened in Russia because of Germans. As I think of my own mother, I think of Russian mothers. Germans call Russia mother-Russia. This sounds like our confession of love to your country.

Now, I above all think of the children with whom I recently spoke in Red Square. I think they will have no such experiences. At least they have a good chance. That is as far as my feelings are concerned.

[Correspondent] Herr Chancellor, Russian-German relations are developing quite dynamically. Are you happy about everything in these relations or are there any problems that you may be worried about?

[Kohl] Above all I am one of those people who call on Germans and Russians to be patient. You know this is for me like a dream, or like a dream come true. Today, at the 50th anniversary I spoke at the Kremlin, as the Federal Chancellor of Germany. That is at the time when Russian President Boris Yeltsin, U.S. President Bill Clinton, French President Francois Mitterrand, my British friend and colleague, John Major, and the U.S. Secretary-General also made speeches. If ten years ago somebody had told me that this would happen to me, he would have been regarded mad. At that time this would have been impossible: Cold war, gloom, deep depression.

There are of course many problems, but compared with the earlier ones, the current ones are not real, no matter how big they are. When I was elected federal chancellor, we talked about deployment of missiles, tanks, divisions etc. But today we discuss Russia's economic situation. My deepest desire is that our neighbor Russia, the most important and the most powerful neighbor in the East, does not stop its reforms, that it continues to move forward, increasing its might, strengthening democracy, economic order and social stability, so that the world stays open. Have patience, my dear people. You cannot change in a few years the situation which was developing in a different direction for so long. I believe that people are sensible to carry on down this road.

[Correspondent] My next question is this: the German authorities have done a great deal to prevent the resurgence of Nazism. Nevertheless, we keep hearing about neo-Nazi antics.

[Kohl] Where? Do you mean in Germany?

[Correspondent] Yes

[Kohl] You can forget it.

[Correspondent] Do you think neo-Nazism can grow stronger and become a real political force?

[Kohl] That is out of the question. You should question your colleagues who put it across that way. What do they actually mean by this? Recently we had elections to the Bundestag. The neo-Nazis received two per cent of the vote. No other country can boast such figures. We have mad and fanatical people, but they also exist in Russia. In Germany there is no danger of the neo-Nazi. What there is are neo-Nazi parvenu. There are extremist parvenu on the left too. I see no great difference between left- and right-wing extremists. They are equally unacceptable politically.

But what is more important is that they find no response whatever among the young generation in Germany.

[Correspondent] Before we met you had a meeting with Boris Yeltsin. What problems did you discuss, and did you reach consensus on all issues?

[Kohl] Of course, during my current visit, when the heads of more than 50 states came here, we had no opportunity to have endless discussions. We talked for 40 minutes. We talk on the phone almost every week.

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Next week we will continue our dialogue. As to the interests of Germany, they lie in promoting the further recognition of Russia. We want reforms succeed. We want to see the war in Chechnya end as soon as possible and human rights to be observed there.

As Boris Yeltsin assured me, things are moving in that direction. We talked about the situation in Yugoslavia, and reached the conclusion that the expansion of this war must be prevented. We also discussed quite intensely Russia's economic situation and the internal policy. At the end of this year you will be holding elections. We discussed issues connected with this, too.

[Correspondent] Herr Federal Chancellor, thank you very much for your interview.

Germany's Kinkel on 'Good, Stable' Moscow Ties

LD1005000395 Moscow INTERFAX in English 1629 GMT 9 May 95

[FBIS Transcribed Text] MOSCOW, May 9 (Interfax) — German Foreign Minister Klaus Kinkel, currently on a visit to Moscow, has described Russian-German relations as "good, stable and positively developing."

According to Kinkel, the Chechnya issue remained an "especially sensitive" point in bilateral relations.

Kinkel said he was convinced that Helmut Kohl's failure to attend the May 9 festivities on the Red Square will not affect bilateral relations.

Kinkel confirmed Kohl's statement made at an earlier meeting with journalists that he will "maintain constant and regular contacts" with Russian President Boris Yeltsin.

Kinkel said Kohl will meet Russian Foreign Minister Andrey Kozyrev Later this afternoon to discuss the repatriation of cultural valuables taken out by the Soviet troops upon the end of the WWII. Kinkel said he was sure that the valuables will return to Germany.

Yeltsin Receives UK Prime Minister 9 May

LD0905173695 Moscow NTV in Russian 1400 GMT 9 May 95

[FBIS Translated Text] [Correspondent Aleksandr Khabarov] Half an hour after the parade on Red Square, President Yeltsin received British Prime Minister John Major in the Catherine Hall of the Great Kremlin Palace. Yeltsin met his guest with a greeting to old friends; he then began using a familiar form of address, calling Mr. Major by his first name.

[Begin Yeltsin recording] [video shows Yeltsin, Major sitting in armchairs] First, John, I would like to welcome you and the delegation. I would like to express my gratitude for your acceptance of the invitation to come to this great holiday. We do not divide this victory; it belongs to all of us. [end recording]

[Khabarov] Yeltsin said that everyone was aware of the significance of the second front. However, a new problem is emerging now: how to preserve the truth of the war for future generations.

[Begin Yeltsin recording] Of course, new textbooks have not been written yet. That is why there is confusion sometimes: Was Moscow taken or not? [end recording]

[Khabarov] In a tete-a-tete, the president and the prime minister discussed the NATO expansion to the East and the upcoming G-7 meeting in Halifax. Presidential aide Dmitriy Ryurikov said that Yeltsin had suggested not rushing into expanding the North Atlantic alliance and that both Yeltsin and Major had concluded that Russia would be closely involved in discussing global economic problems in Halifax. Incidentally, there are no major disagreements between Russia and Great Britain in their bilateral relations now. Thanking Major for his visit, Yeltsin noted that Russia was cl sely watching those who accepted the invitation to attend the festivities and those who turned it down.

Activities of UK Prime Minister Detailed

LD0905170695 London PRESS ASSOCIATION in English 1552 GMT 9 May 95

[By Gavin Cordon, political correspondent, PRESS ASSOCIATION news in Moscow]

[FBIS Transcribed Text] John Major today marked the close of the international VE Day commemorations as he joined other world leaders in paying tribute to the Russian dead of the Second World War.

Together they laid wreaths by the Eternal Flame at the Tomb of the Unknown Soldier in honour of the 20 million Russians who died in the conflict — the heaviest casualty toll of any of the Allied nations.

The theme of remembrance was, however, largely overshadowed by a massive demonstration of Russian military might in the face of continuing concern about the situation in Chechnya, where Russian forces are still locked in a bloody conflict with separatist fighters.

Mr Major and other foreign leaders — including US President Bill Clinton — stayed away from a military marchpast through the city because of their disquiet over the invasion of Chechnya.

However, even a parade by 5,000 Second World War veterans through Red Square, which was attended by Mr Major and the other leaders, had a strong presence

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drawn from current military units which took diplomatic observers by surprise.

Mr Major later sought to play down the significance of the presence of the troops — including paratroopers, marines and Interior Ministry forces — saying that some of them were just cadets.

He did not know, however, if any of the troops on parade were veterans of the Chechen conflict.

"We were not expecting any Chechen veterans, that is certainly the case," Mr Major said.

"I think they were boys, very young men there, who clearly weren't veterans. There were some youngsters there of 16 and 17, I think, who came from some of the academies in Moscow."

A senior US official said Russia had assured Washington that participants in the Red Square parade were "World War Two veterans and cadets, teenagers from military academies — not active duty soldiers — and the Kremlin honour guard".

He added: "There were no active duty soldiers. What we saw here are cadets, like our ROTC (Reserve Officer Training Corps). They have ceremonial functions. This conforms to the agreement we had with the Russian side."

Mr Major did, however, raise the Chechen issue at a 40-minute bilateral meeting with President Boris Yeltsin at the Kremlin immediately after the parade.

"I made it clear, I think he well understands the British Government's position on Chechnya," Mr Major said.

President Clinton is also expected to raise the question when he holds talks with President Yeltsin tomorrow.

Some 9,900 troops took part in the main marchpast — the first of its kind in Moscow since 1990 before the break-up of the Soviet Union.

The procession, watched by President Yeltsin, also included a spectacular array of Russian military hardware with 253 tanks, motorised artillery and Scud missile-launchers, while 70 aircraft from the Russian Air Force made a flypast.

Opponents of President Yeltsin — from hard-line Communists to extreme Russian nationalists — also used the occasion to stage one of their biggest shows of strength for some time with an estimated 30,000 turning out for a rally outside the Lubyanka, the former headquarters of the KGB.

The talks between Mr Major and President Yeltsin concentrated mainly on the planned enlargement of NATO, with the Prime Minister seeking to assure the president that there will be no rush to expand eastwards towards the Soviet border.

The final event of the day was a banquet for the world leaders, hosted by President Yeltsin, at the Kremlin.

French President Lays Wreath at Kremlin Tomb

LD0905162695 Moscow ITAR-TASS in English 1558 GMT 9 May 95

[By Dmitriy Gorokhov and Valeriy S[illegible]yukov]

[FBIS Transcribed Text] MOSCOW May 9 (Itar-Tass) — President Francois Mitterrand of France today laid a wreath at the grave of Unknown Soldier near the Kremlin Wall to pay respect to the deed of peoples of the former Soviet Union in World War II.

Mitterrand's participation in Moscow's victory celebrations is one of his last official acts in the presidential post which he held for past 14 years.

The president paid his tribute not only as a state leader but also as a war veteran.

Mitterrand, a 23-year-old patriot during the wartime, fought near Verden in June 1940, was wounded and captured by Nazis. He fled in December 1941, joined Resistance in southern France and became comrade-in-arms of General Charles de Gaulle.

Prior to the ceremony at the grave of Unknown Soldier, Mitterrand laid flowers at a memorial board to the Normandes-Neman air regiment. The air squadron set up by de Gaulle in 1942 later became a regiment whose pilots made a total of 5,240 combat flights.

Rolland de la Poip, now chairman of France's Normandes-Neman veteran association, is one of those who made a valiant contribution to the regiment's history, and was awarded Hero of the Soviet Union title.

"I am deeply excited by today's ceremony," the veteran flyer said. He stressed the fact that Mitterrand came to Moscow to attend the great date despite his health problems.

"This gesture of the president makes one feel great sympathy," the French veteran said.

Mitterrand commemorated with a moment of silence the 46 fliers of Normandes-Neman who died in combat.

In his conversations with war veterans Mitterrand emphasised the important contribution of the Russian and French comrades-in-arms to the victory.

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Spain's Gonzalez: NATO Expansion 'Debatable'

BR1005105895 Madrid EL PAIS in Spanish 6 Jan 95 p 3

[Report by Pilar Bonet: "Gonzalez Pays Tribute to Spanish Veterans Who Fought Against Germany"]

[FBIS Translated Excerpt] Moscow — Yesterday Prime Minister Felipe Gonzalez promised the Spanish veterans who fought against Nazi Germany alongside the Soviet troops that he will support the construction of a monument to honor the victims at the Poklonaya Gora complex, which was opened yesterday.

Like the majority of his Western colleagues the Spanish prime minister did not attend the military parade, but he did attend the opening of the complex. Afterward, he stated that the aim of his visit to Moscow was to express solidarity with the Russian people and in the broader sense with the Soviet people, although the presence of international leaders in Moscow "benefits Yeltsin and denying this would be absurd." According to Gonzalez, the enlargement of NATO toward the East is compatible with shared security on the European continent. "However, I understand that this is debatable and that it can be discussed by Russia," he said. [passage omitted]

Chernomyrdin Meets With Turkish Premier

LD0905172395 Moscow ITAR-TASS in English 1645 GMT 9 May 95

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, May 9 (Itar-Tass) — "Russia is still ready for peaceful settlement of the Chechen problem, but supporters of Dzhokhar Dudayev have not matured for civilized crisis settlement," Russian Prime Minister Viktor Chernomyrdin told his Turkish counterpart Tansu Ciller here today. The Turkish premier has come to Moscow to attend celebrations of the 50th V-day.

After commenting on Chechen situation, Chernomyrdin assured Ciller that Russia has never rendered any assistance to Kurd separatists and does not plan to do it in future.

Yeltsin Receives Canadian Prime Minister

LD1005073595 Moscow ITAR-TASS World Service in Russian 0545 GMT 10 May 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 10 May (ITAR-TASS) — Russian President Boris Yeltsin has received Canadian Prime Minister Jean Chretien in the Kremlin this morning. Chretien was in Moscow to take part in the celebrations of the 50th victory anniversary. The head of the Canadian Government expressed his admiration for the way the Victory Day celebrations were organized in Moscow.

Questions of strengthening the Canadian-Russian cooperation and preparations for the forthcoming meeting of the seven industrially developed countries in Halifax which Russia is going to attend were discussed at the meeting.

Poland's Oleksy Talks With Clinton, Chernomyrdin

LD0905193495 Warsaw TVP Television First Program Network in Polish 1730 GMT 9 May 95

[Relayed by Warsaw TV Polonia Network]

[FBIS Translated Excerpt] Following the meeting with Prime Minister Jozef Oleksy, Russian Prime Minister Viktor Chernomyrdin assured that he was a resolute supporter of the best possible relations with Poland. Chernomyrdin added that there should be no tensions between the Polish and Russian nations, since there were no grounds for this. Prime Minister Oleksy admitted that he had not spoken with Chernomyrdin about Poland's desire to join NATO. After the meeting, Oleksy said that Poland was supporting the dialogue between Russia and NATO but disagreed that any decisions concerning Poland should be made unilaterally in this dialogue.

[Begin recording] [Correspondent Maciej Sojka, reporting from Moscow] The first politician who Prime Minister Oleksy had a chance to talk with at the Moscow ceremonies was U.S. President Bill Clinton. Both politicians met on the stand during the ex-servicemen's parade in Red Square. Oleksy revealed later that the conversation concerned the promises that Clinton had given him during his recent visit to Warsaw while Oleksy was still Sejm speaker.

Can you recall the promises given in Warsaw?

[Oleksy] I think that they could be embarrassing if I recalled them in public because I did not have the impression that the president remembered them. [laughter]

[Sojka] However, the main item on the Polish delegation's agenda today was talks with Russian Prime Minister Chernomyrdin, which were also attended by Minister Andrzej Zakrzewski, the presidential representative.

It was clear that Prime Minister Chernomyrdin wanted very much to leave the best possible impression after his meeting with Oleksy today. [passage omitted]

The conversation lasted longer than planned. When it ended, Prime Minister Chernomyrdin came out with the Polish delegation to meet journalists.

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[Chernomyrdin, in Russian with superimposed Polish translation] I am deeply convinced that there will never be any tensions between our nations. There are no grounds for this. We are neighbors; we want to and will cooperate.

[Sojka] Prime Minister Oleksy said that the talks mainly concerned the acceleration of the implementation of seven economic treaties that had been signed several months ago during Chernomyrdin's visit to Warsaw.

[Oleksy] I must say that I am satisfied with the resolute confirmations given by Prime Minister Chernomyrdin about Russia's strong will to develop good, friendly relations with Poland on all levels.

[Sojka] The Polish delegation's other interlocutors were Czech President Vaclav Havel—with whom Polish politicians were talking about regional cooperation—and German Chancellor Helmut Kohl. The Polish delegation also took part in most ceremonies organized to mark the end of the World War II. [end recording]

Krylov on Relations With Central Europe

LD0905203795 Moscow ITAR-TASS World Service in Russian 0915 GMT 9 May 95

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Translated Text] Moscow, 9 May — The talks Russian Prime Minister Viktor Chernomyrdin held with his Polish and Bulgarian counterparts on Victory Day, as well as his forthcoming meeting today with the head of the Slovak Government, show that the central European countries are interested in strengthening ties with Russia. This was the view expressed in an interview with the ITAR-TASS correspondent by Russian Deputy Foreign Minister Sergey Krylov, who took part in the talks.

During Viktor Chernomyrdin's conversation with Polish Prime Minister Jozef Oleksy, the sides analyzed progress in fulfillment of bilateral accords reached in the course of the Russian prime minister's visit to Warsaw in February, Sergey Krylov said. Viktor Chernomyrdin and Jozef Oleksy consolidated their personal contacts, with Viktor Oleksy for the first time acting in his capacity as Polish prime minister in the talks with Russia's prime minister, the Russian deputy foreign minister said.

Sergey Krylov noted that the visit by Poland's prime minister to Russia to take part in the celebrations of Victory Day are a significant fact in Russo-Polish relations. He recalled that initially Polish President Lech Walesa had decided to confine himself to sending only a personal representative to take part in the festive celebrations in Moscow. However, afterward this decision was altered and the Polish president's personal representative and the Polish prime minister are representing the Republic of Poland in Moscow today, which shows a favorable change in Russo-Polish relations, the Russian deputy foreign minister said.

FRY's Lilic Reports 'Important Contacts'

LD1005001495 Belgrade TANJUG in English 2252 GMT 9 May 95

["Pool" item]

[FBIS Transcribed Text] Moscow, May 9 (TANJUG) — Yugoslav President Zoran Lilic said on Tuesday [9 May] he had had some very important contacts with statesmen and other prominent figures in Paris and Moscow at ceremonies marking the 50th anniversary of victory over fascism.

"There is no reason [words indistinct] not be satisfied with those talks," Lilic told Yugoslav reporters in Moscow, explaining that the fact that Yugoslavia had been invited to attend functions of this magnitude spoke for itself.

Over the past two days, Lilic met with outgoing French President Francois Mitterrand, his successor-designate Jacques Chirac, U.N. Secretary-General Butrus Butrus-Ghali, U.S. President Bill Clinton, the presidents of Greece, Bulgaria, Romania, Hungary, and others.

"In all these talks, we urged a policy of peace and cooperation and I believe that we succeeded in convincing out partners of our sincerity," said Lilic.

"The next step," he added, "will be to convince the world that peace and economic recovery are the basic interests of Yugoslavia, as well as of the Bosnian Serb republic and the Republic of Serb Krajina."

Lilic expressed to Clinton his appreciation of Clinton's speech in Moscow raising Yugoslavia's great contribution to the crushing of fascism.

Other members of the Yugoslav delegation — Deputy Prime Minister [passage indistinct] — also had a series of contacts and informal talks.

Jovanovic, meeting with U.S. Secretary of State Warren Christopher, said it was high time the two countries normalized their bilateral relations.

Virtually in all their contacts in Paris and Moscow, Lilic and Jovanovic spoke of dangers coming from Croatia, especially after its latest aggression on the U.N.-protected Republic of Serb Krajina.

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Croatian President Interviewed on Moscow Events

LD0905212195 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 9 May 95

[FBIS Translated Excerpt] [Correspondent Mirjana Rakic] Mirjana Rakic reporting from Moscow. [passage omitted]

We asked Croatian President Franjo Tudjman what the word victory means today? Why is peace being mentioned less?

[Begin recording] [Tudjman] Peace is rarely mentioned. This victory is being celebrated, in fact, in order to demonstrate who should dictate peace, who is entitled to this—from London, Paris, to today. [sentence as heard]

Today's celebration in Moscow was very impressive. You were probably told that two military parades had been scheduled for today. However, despite the fact that there were veterans here today, there were also future veterans here. [laughs]

Hence, if you look at the kind of scenario we saw, it is obvious that the leaders of today's Russia were rightly pointing out Russia's role in World War II, in the victory over Nazi Germany, over Nazism and fascism in Europe and the world. They also let us know today that they, just like Russia, are the successors to the Soviet Union. There was talk of the Soviet people—that they are a superpower. They are a superpower, notwithstanding its internal economic and political problems, a superpower with nuclear armaments that, as you have seen, has been treating all the world statesmen present here in this way.

This directly addresses your question. What about peace? It means that peace is overshadowed by these world powers, the world factors that played the main role in the victory over fascism and who are present here today.

[Rakic] Does this mean that we are again at the beginning of another 50-year period? The Cold War period came in the wake of World War II.

[Tudjman] The Cold War period followed. It was over the moment the superpowers arrived at the conclusion that neither of them could hope for world hegemony in an era of nuclear weapons. Nevertheless, as we can see, there have been a series of local wars since, either on the margins of the superpowers' spheres of interest or in those areas where peoples are fighting for their independence, for new borders, and are for creating conditions for a new world order.

[Rakic] Does that mean that those 1945 ideals were lost, or perhaps forgotten, at some point in the past 50 years?

[Tudjman] Understandably, participants in World War II did have ideals; however, these ideals were different. The ideals at my level, as I went to war at the age of 19, were: We do not want to take part in any war again; we want no more wars. They were a young man's ideals of suffering, following his somewhat pacifist views, etc. After all, my first book after this—a small booklet of some 1,000 pages—was "War Against War" [Rat protiv rata]. As we can see, however, those ideals shared by the participants were not the same, and the world cannot be much more different from what it is, since time immemorial, since biblical times, since the first scriptures of humankind, such as it is. [sentence as heard] Consequently, there will always be powers that will fight for domination. There will always be those who will fight for balance in this world, and small nations that will fight for their place under the sun.

We have to be realistic in this sense. It is of historic importance for us Croats that we have secured our state in this transitional and turbulent period, that we are present at these ceremonies attended by the participants in the victory over fascism, and that we are participating. We are not just participating; we are one of the most important factors in the creation of the new world order in this part of southeast Europe, on the margins of the Balkans where we are fated to live.

This is what promises us that Croatia will survive as an international factor, not just for another 50 years. By the way, the fact that we have survived throughout our history, from the Croatian kingdom in the Middle Ages to our later existence in multiethnic communities such as the Hapsburg monarchy and the Yugoslav state, testifies to the vitality of the Croatian people, as well as to the fact that it has secured its independence and is present in international life, including great celebrations such as these that are being staged in the world. This is a basis for being optimistic about our future. [end recording]

Czech Premier Thanks Russia for Liberation

LD1005053095 Moscow ITAR-TASS in English 0453 GMT 10 May 95

[By Igor Shamshin]

[FBIS Transcribed Text] PRAGUE, May 10 (Itar-Tass) — The Soviet Union made the largest contribution from among the allied countries to the liberation of Czechoslovakia from the Nazi occupants, which the younger generation of the Czechs should always remember, Prime Minister of the Czech Republic Vaclav Klaus said in an exclusive interview with Itar-Tass.

According to the Czech Prime Minister, it is necessary to recall the Soviet Union's decisive role in defeating

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Nazi Germany these days when the world is marking the 50th anniversary of the victory in Europe.

"These days when we mark the fiftieth anniversary of the victory we thank above all the Soviet Army whose tens of hundreds of soldiers gave their lives to free the Czech and Slovak peoples," the Prime Minister stressed.

"History cannot be changed whether or not it suits somebody. May 9, 1949 when Prague was liberated by the Soviet Army from the Nazi invaders was and remains a great landmark in the development of the independent Czech state," the Prime Minister said.

Slovak President Awards Medals to War Veterans

LD0905140595 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1300 GMT 9 May 95

[FBIS Translated Text] In Moscow today Slovak President Michal Kovac presented Russian war veterans who participated in battles to liberate Slovakia with medals commemorating the 50th anniversary of the liberation of Slovakia and the end of World War II.y

In an interview with Slovak journalists, Kovac stressed that future military cooperation between Slovakia and Russia would not be based on an agreement on mutual defense assistance. The only agreements that exist concern the restocking and modernization of our weaponry. On the subject of Slovakia's entry into NATO, the president said that we would continue to seek membership in the alliance. Kovac explained his absence from the military parade on Poklonnaya Hill in Moscow by saying that it was by agreement with all the heads of state present.

Chernomyrdin Meets Slovak Premier 9 May

LD0905210095 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 9 May 95

[FBIS Translated Excerpt] Nowadays, Moscow is the focus of the whole world. [passage omitted] Maria Mikusova reports from the Russian capital.

[Mikusova] [passage omitted] The Slovak president met his Austrian and Slovene counterparts, Thomas Klestil and Milan Kucan respectively. Slovak Prime Minister Meciar was received by Russian Prime Minister Viktor Chernomyrdin.

The possibility of a triangular approach to indebtedness was among the economic issues discussed. After the 20-minute meeting, the Slovak prime minister told journalists:

[Begin recording] [Meciar] It is an interesting project in which individual countries would credit one another with their receivables. The possibility for such project involves Russia, Ukraine, Belarus, and Slovakia, and also some Asian countries. This project could bring a huge advantage for all three parties involved because mutual debts would be written off for all of parties involved and each party would gain an advantage.

Chernomyrdin fully supports this project and told us that we could be sure that the Russian Government would cooperate with the Slovak Government on this matter.

Our talks also covered certain issues of trade cooperation and the plan for 1996. This plan involves both the program of clearing debts and a regular prognoses that is to be prepared by a Russian- Slovak working group. Certain matters were to take place in November 1996 but we concluded that it would be good to speed up the pace. Therefore Sergej Kozlik, deputy prime minister and finance minister, will travel to Moscow soon and will hold talks where these issues will be discussed.

[Unidentified correspondent] Prime Minister, you met Lobov, secretary of the Russian Federation Security Council. What conclusions did you arrive at?

[Meciar] We assessed the outcome of his visit to Slovakia which is, by and large, being implemented. We agreed on another meeting which should be based on Russian invitation and should take place in Russia. Concrete projects would be discussed later. There were some talks earlier, but [words indistinct].

[Correspondent] Russian participation in the completion of the nuclear plant in Mochovce has been in the spot light for some while. But so far no conclusions have been reached. During your talks with Minister of Atomic Energy Mikhaylov and Finance Minister Panskov, arrive at any specific conclusions?

[Meciar] These talks were very successful. First, we agreed with the atomic energy minister that a joint consortium involving Russia, the Czech Republic, Germany, France, and Slovakia will be established and tasked with the completion of Mochovce. This consortium will manage the technical side, organization, and finances.

Another outcome of these talks concerns clearing the indebtedness of the Slovak Republic. I am returning to Slovakia with $45 million provided by the Russian Government for the Slovak Government. We also agreed on some loans, one particular [word indistinct] sum being $150 million. We also agreed on some steps we have to make in May and June to improve the balance of payments and some disputable receivables.

We expect that by the end of June we will have presented an project outline for 1996 that could be

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realistically assessed and guaranteed. It is possible to gain quite a lot of mutual advantages.

We also agreed that further clearing of mutual balance of payments will be carried out primarily in goods. When we consider that the Slovak Republic has a deficit worth $1 billion then it is a great advantage particularly for (?eastern) Slovakia if we can pay it back in goods. [end recording]

Albania's Berisha Meets Various Dignitaries

AU0905171395 Tirana Radio Tirana Network in Albanian 1330 GMT 9 May 95

[Telephone report by Aida Shehu from Moscow]

[FBIS Translated Excerpt] [Passage omitted] President Berisha held a meeting with French President Mitterrand and thanked him for the hospitality and the organization of that day, which is a great honor for Europe's efforts for freedom. Apart from this meeting, President Berisha held short meetings with many other heads of state.

Thus, Berisha held meetings with the Finish president and Irish President Mary Robinson. Berisha also met Turkish Prime Minister Tansu Ciller, with whom he held a warm talk. Turkish Prime Minister Ciller briefed President Berisha on operations in northern Iraq, which, as she stressed, were successful and fulfilled the defined goals. Ciller also promised Berisha that she will soon visit Albania with pleasure.

Portuguese President Mario Alberto Soares and the Canadian prime minister were very well informed about the developments in Albania and said that they followed them with pleasure. They expressed their readiness to assist our country.

During a meeting with newly elected French President Chirac, President Berisha first congratulated him on his victory in the elections and then stressed that Chirac and his party has rendered an assistance in the victory of democratic forces in [word indistinct]. After the victory of this party in the general elections, the relations between our two countries have known only growth.

President Berisha invited President Chirac to visit Albania in order to closely see the developments there. Mr. Chirac stressed that he will remain in contact with the reality there.

The Spanish king and queen Sofia told President Berisha that they follow the development of reforms in Albania with great interest and highly assess Albania's courage to march on their road.

At a meeting held with President Berisha, Jacques Santer, chairman of the European Commission, told him that the European Commission is determined to expand cooperation with Albania and will support opening of negotiations for an associate agreement with Albania.

On the other hand, Daniel Tarchys expressed his pleasure over the course of our country and further and important steps that Albania is making toward membership in the Council of Europe.

President Berisha assured the interlocutors about Albania's determination, increase of cooperation with the Council of Europe, and [word indistinct] of agreements and conventions that its member states should sign.

On their part, they assured the Albanian president that the countries which [word indistinct] will support the opening of negotiations for Albania's association in the European Union. [passage omitted]

UN Security Council Observes Victory Day

LD0905183295 Moscow ITAR-TASS in English 1629 GMT 9 May 95

[By Boris Sitnikov]

[FBIS Transcribed Text] UNITED NATIONS, May 9 (Itar-Tass) — A special meeting of the United Nations Security Council was held here today on the initiative of the Russian delegation to mark the 50th V-day. Council President Jean-Bernard Merimee, France, made a statement on behalf of the Council members:

Fifty years have passed since the end of a conflict in Europe that affected the whole world, says the statement. The United Nations organization was founded to protect the future generations from this disaster. A special role was assigned to the Security Council bearing in mind it carries main responsibility for international peace and security in accordance with the United Nations Charter.

It seems to be expedient for the Security Council to pay homage to all victims of the second world war on the jubilee date and confirm its determination to do everything possible for easing sufferings brought to mankind by a war, says the statement. On proposal of the Council President, the Council members commemorated participants and victims of the second world war with a minute of silence.

After the meeting Russian permanent representative to the United Nations Sergey Lavrov told Itar-Tass "The Security Council has just held an official meeting to celebrate the end of the second world war in Europe. The meeting was held on proposal of the Russian Federation and supported by all members of the Council. In accordance with a common decision, the Council President read out an official statement and members of the Security Council commemorated all participants in the second world war with a minute of silence.

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"We think it is a ceremonious and mournful event that commemorated all dead in that war, a major contribution among which was made by citizens of the Soviet Union. This event stressed the determination of the Security Council to implement the high principles on which the United Nations organization is based. The organization was set up to prevent similar wars in future," said Lavrov.

Day Marked in Volgograd, Ingushetia, Crimea

LD0905150495 Moscow ITAR-TASS in English 1437 GMT 9 May 95

[FBIS Transcribed Text] MOSCOW, May 9 (Itar-Tass) — The 50th V-day is being marked throughout Russia and other Commonwealth member-states.

War veterans marched along downtown Volgograd streets today from the Soldiers' Monument to the war memorial on Mamayev hill. A rally held on Hero square commemorated war victims with a minute of silence. It was followed by a parade of materiel of the 40's and the 8th corps depicted the Stalingrad battle that finished with the defeat of a major fascist group of von Paulus. Servicemen of the Volgograd garrison marked the event with a ceremonious march.

Sevastopol, the Crimea, was marking a double holiday today. The city was freed from the Nazi on May 9, 1944. The V-day was marked with a parade of ships of Black sea fleet and an artillery salute. Fleet commander admiral Eduard Baltic congratulated the sailors on the holiday. A column of war veterans marched through the town with banners of units and ships which distinguished themselves in battles. It was followed by Black sea fleet units who carried no arms and rode no materiel because of the instruction of the Ukrainian President that prohibited a military parade in Sevastopol. Sailors of the Ukrainian Navy marked along Sevastopol streets as well. The V-day celebrations in Sevastopol are attended by a Russian Duma delegation headed by Konstantin Zatulin.

A Duma delegation has also attended a rally of the Russian community of the Crimea. The delegation headed by Sergey Baburin came to the Crimea to mark the 50th V-day. "The Crimea has never been alien for Russia. We will do our best to make Crimean residents the first on the way of Ukrainian-Russian reunification," stressed Baburin. The rally was also attended by Crimean President Yuriy Meshkov and Crimean parliament speaker Serhiy Tsekov, who stressed they pin all of their hopes in solution of the Crimean problem on Russia.

Ingushetia is marking the 50th V-day. In the words of witnesses, two military helicopters flew over a stadium in Nazran where the V-day was marked. Some thought it was planned by the producer of festivities, however, the producer, staffer of the Ingush state drama theatre Ruslan Khakishev, told Itar-Tass he did not plan the helicopter flight. The helicopters made a flight above the stadium and headed for Chechnya.

All populated localities of the Ukrainian south and east marked the V-day today with ceremonious marches of war veterans.

Opposition Leader Statements at Rally Viewed

LD1005000295 Moscow INTERFAX in English 1629 GMT 9 May 95

[FBIS Transcribed Text] MOSCOW, May 9 (Interfax) — A rally sponsored by a number of opposition organizations was held in Moscow's Lubyanka Square on Tuesday [9 May]. It called for restoring a unified state in the space of the CIS and for bringing "patriotic forces" to power in Russia.

The Communist Party leader Gennadiy Zyuganov said addressing the rally that "it is necessary to remove liers from Ostankino and the followers of Vlasov from the Kremlin so that the patriotic forces could win."

For his part, the leader of the Communist Workers' Party and Working Russia movement Viktor Anpilov promised the veterans to "revive the socialist Fatherland in Lenin's country" during their lifetime. "We are ready to sacrifice ourselves for the sake of regaining the people's right not to be subjugated by the dollar and by the International Monetary fund, and re-establishing public property," he declared.

Army General Valentin Varennikov, who took part in the Victory Parade in Moscow's Red Square held in June of 1945, described as "historic truth" the fact that "it were the Soviet people led by the Communist Party who blocked the road to Nazism, for no one else could cope with that task." Marshal Georgiy Zhukov, he added, "would not have believed that we allowed such disintegration," and Joseph Stalin "would never dream that all our gains are now lost."

"The people of our country have a right to demand that everything we had be returned, that privatization and plunder of the country be stopped, that trade in land be prevented, that crime be put an end to, that unemployment be liquidated, that normal living conditions be created for the people," Varennikov said. "Our people will never agree with the yoke of capitalism put on them," the general pointed out.

The leader of the Russian nationalist organization Aleksandr Sterligov urged the opponents of the present authorities to nominate common candidates for elections

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to the State Duma and work to unite Russia, Ukraine and Belarus.

A number of speakers at the rally made statements insulting to Russia's president.

According to law-enforcers, the rally gathered 30 to 35 thousand people. However Zyuganov claimed that the demonstration the rally culminated in involved half a million people.

Zhirinovskiy Addresses Anniversary Rally

LD1005074695 Moscow INTERFAX in English 1629 GMT 9 May 95

[FBIS Transcribed Text] MOSCOW, May 9 (Interfax) — The Liberal Democratic Party of Russia (LDPR) "will move from words to deeds once it has both legislative and executive power," the party's leader, Vladimir Zhirinovskiy, told a rally on Teatralnaya square in Moscow Tuesday [9 May].

Zhirinovskiy added that he "would not like to act as a speaker this holiday" and proposed all those present (about 2,000 to 3,000 people, according to the law-enforcement bodies) dance to the brass orchestra and first started to do so.

During breaks between songs, Zhirinovskiy signed his cards and answered questions from the crowd. In particular, he expressed dissatisfaction over the fact that "on such a day the Red Square is closed to the people" and promised to open it as soon as he came to power. In addition, he stated he will "reinstate the Soviet hymn in its rights," his favorite musical piece, he said.

Meanwhile, Zhirinovskiy's supporters distributed leaflets with his "Congratulations to the Russian People on the Occasion of the 50th Anniversary of the Victory in the Great Patriotic War." In this document, Zhirinovskiy noted that "with the LDPR's advent to power, we will provide those who fought in the trenches with full state maintenance."

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CIS Countries' Jan-Feb Inflation Figures Reviewed

MM1005103495 Moscow ROSSIYSKAYA GAZETA in Russian 5 May 95 First Edition p 10

[Report by Aleksey Gruzdev: "CIS: Inflation League Table"]

[FBIS Translated Text] The CIS Statistics Committee, which is growing in strength and scope, has released generalized February figures for all the Commonwealth countries demonstrating the dynamics of inflation for the two winter months.

On the whole it should be noted that the data testify to extremely favorable trends reflecting the prospects of a general financial stabilization. Albeit to different extents, the general inflation figures fell for virtually all the countries belonging to the Commonwealth.

The most appreciable progress in the field of cutting inflation was achieved by Moldova with 2.3 percent (as against 1.9 percent in January) and Armenia with 0.7 percent (3.9 percent in January). It must be said that Moldova is in fact pursuing the toughest financial policy of all the countries of the near abroad, but this policy often manifests itself in the artificial freezing of wages or simply their nonpayment for month after month. Armenia's economy is undoubtedly being favorably affected by the increasing foreign financial aid, one of the components of which is rescheduling of the servicing of the external debt.

Azerbaijan with 12.5 percent (27 percent in January), Russia with 11 percent (17.8), Kyrgyzstan with 6.8 (7.1), and Kazakhstan with 6.7 (8.9), come in the middle, so to speak. Here we are talking about a group of countries which for a protracted period now have been actively cooperating with international financial institutions, primarily the IMF, in implementing agreed financial stabilization programs in exchange for solid financial assistance. Admittedly the financial reality of these "inflationary golden mean" states has hitherto been typified by uncontrollable inflationary surges, often provoked by backstage fighting among lobbying groups. The most recent example was the unexpectedly sharp drop in the manat against the dollar, which itself has not been having the best of times recently.

The third group includes Commonwealth countries which were slightly later than the others in embarking on a package of market reforms and stuck longer than the others to their previous traditions involving subsidies for consumer goods and communal services. It is no surprise in Ukraine inflation in February totaled 18.1 percent (against 21.2 percent in January), and that Uzbekistan's February figures were even slightly worse than January's — 18 percent as against 15 percent in January.

Judging by the CIS Statistics Committee's calculations, the most serious situation is in Belarus, where sharp prices growth continued. Although 5.5 percent lower than in January, inflation in February nonetheless reached 33.7 percent. And this is clearly linked to the fact that prices in the republic were really let off the leash only under President Lukashenka and, as was to be expected, the jump was much sharper than anticipated. Yet to some extent the present situation provides the president of Belarus with new arguments in favor of more resolutely strengthening the reform team.

Regional Leaders Meet To Promote Integration

WS1005103195 Kaliningrad KALININGRADSKAYA PRAVDA in Russian 5 May 95 p 1

[Report attributed to the Kaliningrad Oblast Administration Information Service: "On the Basis of Integration"]

[FBIS Translated Text] Leaders from 19 Russian, Ukrainian, and Belarusian oblasts held a three-day meeting in the city of Homel [in Belarus] devoted to issues of economic integration and development of direct business and trade ties.

The common goal of the meeting was to assess specific possibilities for expanding contacts among the regions based on mutually beneficial cooperation.

An official delegation from Kaliningrad Oblast, headed by L. Demachev, deputy chief of the Kaliningrad Oblast Administration, presented its proposals based on the direct interests of the largest companies and firms from Kaliningrad. The proposals, in particular, considered cooperation on a contract basis, mutual deliveries of equipment, partnership in the development of power engineering and transport, and a number of other issues.

The "Kaliningradsnabeksport" share holding company alone expressed its intention to purchase various goods worth 40 billion rubles [R] in Belarus. During the delegation's visit to Homel, the first two contracts totalling R500 million were already concluded.

Participants in the meeting, in an appeal to the parliaments, governments, and state leaders, emphasized their confidence that successful reforms and a quicker way out of the economic crisis are possible by stepping up processes of integration among the economies of the regions and republics.

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Rybkin Meets With Gingrich, Christopher, Perry

MM0905145595 Moscow ROSSIYSKAYA GAZETA in Russian 5 May 95 First Edition p 7

[Report by Russian Federation Federal Assembly State Duma Press Service: "What a Legislator Can Do. State Duma Delegation Visit to the United States"]

[FBIS Translated Text] A State Duma delegation headed by I.P. Rybkin was in the United States from 30 April through 3 May at the invitation of U.S. Vice President A. Gore and the American-Russian Business Council.

The first stop was the Pearl Harbor military base. The delegation members participated in celebrations to mark the 50th anniversary of the allies' victory in World War II. State Duma Chairman I. Rybkin laid a wreath at the memorial to the U.S. seamen who died 7 December 1941. There followed a detailed conversation with the command staff of U.S. Armed Forces in the Pacific, in which the chairmen of a number of State Duma committees participated. They discussed the prospects for rationalizing military cooperation between Russia and the United States on the basis of the newly discovered relationship of alliance in the Pacific region.

Visiting San Francisco that same day, the Russian parliamentarians met with representatives of the business elite of the West Coast of the United States.

The members of the delegation were in Washington 1 and 2 May. Wreaths were laid at the memorial to the Soviet-American meeting on the Elbe and at the tomb of the Unknown Soldier in Arlington Cemetery.

There was a frank, businesslike conversation between State Duma Chairman I. Rybkin and the U.S. Congress House of Representatives Speaker N. Gingrich. I. Rybkin noted that the U.S. side's failure to honor a number of past commitments could have an adverse effect on the pace of development of bilateral relations. Both sides agreed that Russian and U.S. parliamentarians can exert influence on their countries' executive authorities in order to step up bilateral cooperation in the widest variety of sphere, primarily in the economy. I. Rybkin stressed that the State Duma had adopted a package of important laws providing legal support for Russian-American business links.

During the Russian delegation's meeting with U.S. Secretary of State W. Christopher questions were raised which, in the opinion of the U.S. side, could slow down the development of cooperation between the two countries, in particular certain aspects of Russian-Iranian economic contacts. I. Rybkin and the chairmen of the State Duma committees participating in the conversation explained Russia's position on the problems that were touched upon and promised to make the U.S. side's opinion known to the Russian Federation president and Russian Federation Government chairman.

The State Duma chairman and the heads of the leading Duma committees were received by U.S. Vice President A. Gore. During the conversation with the U.S. vice president it was noted that the State Duma had already adopted laws which would ensure an increase in the pace and volume of American-Russian economic cooperation, while existing problems can be overcome through the practical activities of the Chernomyrdin-Gore Commission.

During all the aforementioned meetings there was a frank exchange of opinions on plans to expand NATO from the viewpoint of the development of Russian-American relations as a whole.

On 2 May the Russian delegation met with R. Gephardt, leader of the Democratic minority in the House of Representatives. The sides exchanged experience of parliamentary work. There was also a meeting with U.S. congressmen on the Foreign Affairs Committee. They were informed about the economic and political situation in Russia on the threshold of this year's upcoming parliamentary elections. I. Rybkin stressed that the vigorous activities of legislators in both countries in expanding and deepening economic and political cooperation could bring appreciable results.

At a meeting with U.S. Secretary of Defense W. Perry and the U.S. President's National Security Assistant A. Lake mention was made of the closeness and coincidence of many views in strategic matters.

I. Rybkin addressed the OAS, briefing the OAS secretary general and chairman and members of the OAS Standing Council on the problems facing Russia and ways of moving from crisis to the normal functioning of the economy and the political system.

Yu. Vorontsov, Russian Federation ambassador extraordinary and plenipotentiary to the United States, participated in all the meetings and conversations.

On 3 May the Russian delegation members returned to Moscow from Washington.

Chief of General Staff Receives British Counterpart

LD1005102495 Moscow ITAR-TASS World Service in Russian 0913 GMT 10 May 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Translated Text] Moscow, 10 May — In Moscow today topical issues relating to security in Europe and cooperation prospects were discussed by Army General Mikhail Kolesnikov, the chief of the general staff of

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the Russian Armed Forces and Sir Peter Inge, the chief of the defense staff of Great Britain, who is here on a visit. The ITAR-TASS correspondent learned this at the Russian military department.

Britain's chief of the defense staff will also receive Andrey Kokoshin, the first deputy minister of defense today.

During the course of the visit to Moscow, which will last until 12 May, Field Marshal Sir Peter Inge will visit the military academy of the general staff, a motor rifle brigade in Moscow, and the Kubinka garrison near Moscow. He will also visit St. Petersburg.

Yugoslav Premier Urges More Russian Support

LD0905154295 Moscow ITAR-TASS in English 1511 GMT 9 May 95

[By Ivan Ivanov, Aleksandr Kondrashev]

[FBIS Transcribed Text] BELGRADE, May 9 (Itar-Tass) — Russia should more actively call for peaceful settlement of the Yugoslav crisis, its vote in the United Nations Security Council should be more authoritative, Yugoslav Premier Radoje Kontic told Itar-Tass here today.

In his words, Russia should be more insistent in the lift of international sanctions against Yugoslavia since this is the key element in progress of the peace process in the Balkans, said the premier. He noted that these issues were discussed with the Yugoslav leadership by a Russian governmental delegation headed by Vice-Premier Nikolay Yegorov which visited Belgrade from May 7 through 9.

Asked whether Yugoslavia is ready to render military assistance to Serb Krajina if Croatia continues aggressive actions, Kontic said they hope that the forces of peace and not supporters of military solutions will win. He thinks that peace advocates in Europe are strong enough to prevent new attacks of Croatia.

The premier stressed Yugoslavia has called for exclusively peaceful settlement of all disputable issues with the help of negotiations from the very start of the Balkan crisis. That is why, Yugoslavia denounced the aggression of Croatia against Serb Krajina, he noted. Yugoslavia thinks that Croat troops should be withdrawn to the positions they had before the aggression against Serb Krajina in Western Slavonija, in accordance with the international law.

Friendship Treaty With Belarus Published

MM1005095895 Moscow ROSSIYSKAYA GAZETA in Russian 5 May 95 First Edition p 10

["Treaty of Friendship, Good-Neighborliness, and Cooperation Between the Russian Federation and the Republic of Belarus"]

[FBIS Translated Text] The Russian Federation and the Republic of Belarus, hereinafter referred to as the Contracting Parties,

mindful of the historically established close ties between their peoples, considering that the further strengthening of friendly relations, good-neighborliness, and mutually advantageous cooperation is in keeping with the fundamental interests of the peoples of both states and serves the cause of peace and security,

noting that the Treaty Between the Russian Soviet Federated Socialist Republic and the Belorussian Socialist Republic of 18 December 1990 has played its historical role,

convinced of the need to continue to build sovereign democratic states with a socially oriented market economy and to promote in every way the creation of a common economic area,

seeking to impart a new quality to their relations and to strengthen the legal basis of cooperation taking account of the profound political and economic changes in both states and trends in international life,

proceeding from a desire to build bilateral relations on the basis of mutual respect, equality, trust, accord, and partnership,

confirming their commitment to the objectives and principles of the United Nations Charter and the provisions of the Helsinki Final Act, the Paris Charter for a New Europe, and other documents of the Organization for Security and Cooperation in Europe,

cognizant of the two states' commitments within the framework of the Commonwealth of Independent States,

have agreed the following:

Article 1

The Contracting Parties will build friendly, good-neighborly relations and develop cooperation guided by the principles of mutual respect for state sovereignty and territorial integrity, inviolability of borders, the peaceful settlement of disputes, and the nonuse of force or the threat of force, equality and noninterference in internal affairs, observance of human rights and fundamental freedoms, and conscientious fulfillment of

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commitments, and also by other generally recognized principles and norms of international law.

Article 2

The Contracting Parties will cooperate closely for the purposes of preserving peace and strengthening peace and regional and global security.

They will coordinate their foreign policy activity, devoting priority attention to the creation of a system of collective security in the world and on the European continent, the strengthening of the peacemaking role of the United Nations and its cooperation with European regional and subregional organizations, forums, and agreements, assistance in the settlement of interstate and other conflicts, and the further advancement of the process of the reduction of armed forces and arms.

Article 3

The Contracting Parties will conduct regular consultations at various levels with a view to securing the further development and deepening of their bilateral relations and exchanging views on international issues of mutual interest.

As a rule meetings at an interstate level will be conducted annually, taking account of necessity and expediency.

The ministers of foreign affairs will conduct regular consultations on questions of mutual interest.

When necessary and by mutual agreement between the Contracting Parties regular working meetings and consultations will be held between the leaders of central organs of state administration and also leaders of various levels with a view to further developing and deepening bilateral relations and exchanging views on international and other issues of mutual interest.

The Contracting Parties can create on a permanent or temporary basis mixed commissions to resolve individual questions in various fields.

Article 4

The Contracting Parties, in conditions of openness of the border between the Russian Federation and the Republic of Belarus, will implement on their borders with third states the requisite measures to safeguard each other's security and will cooperate on the basis of individual agreements in resolving border issues between them.

They will agree and take the necessary measures for the reciprocal visa-free entry, exit, and presence of the citizens of one state on the territory of the other.

They will also agree arrangements for the entry, exit, and presence of the citizens of third countries on the territories of the Contracting Parties.

Article 5

The Contracting Parties will carry out coordination of activity in the military field in accordance with individual agreements.

In the event of an armed attack on one of the Contracting Parties or the threat of such an attack the Contracting Parties will consult and take other measures taking account of commitments under the Treaty of Collective Security of 15 May 1992 and other treaties to which they are party.

Each of the Contracting Parties will refrain from participation in or support for any actions whatsoever directed against the other Contracting Party and pledges not to conclude any treaties directed against the other Contracting Party.

Neither of the Contracting Parties will allow its territory to be utilized to the detriment of the security of the other Contracting Party.

Article 6

The Contracting Parties will promote the broadening of parliamentary ties between them.

Article 7

The Contracting Parties will ensure favorable conditions for direct ties and comprehensive cooperation at the level of administrative-territorial units within the framework of their powers.

They will promote the development of trade and economic ties between the border territories of the two states.

Article 8

The Contracting Parties will promote the development of comprehensive contacts between their citizens; political parties and movements; trade unions; women's, young people's, religious, sports, and other associations and unions; and press and information organs.

Article 9

The Contracting Parties will agree fundamental guidelines for the implementation of economic reforms and promote the deepening of economic integration between them, the creation of conditions for the formation of a unified economic space in accordance with commitments stemming from bilateral and multilateral treaties signed within the framework of the Commonwealth of Independent States.

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To this end they will coordinate financial, money and credit, budget, foreign exchange, investment, price, tax, payment and settlement, and customs policy, create equal opportunities and conditions for economic concerns, and promote the creation of financial-industrial groups and cooperative arrangements, associations and banks, and producers and consumers of products on the basis of the free movement of goods, capital, and labor.

The Contracting Parties will promote the preservation and development on a mutually advantageous basis of production, scientific, and technical cooperation arrangements between economic entities in the development and production of modern high-technology products, including products for defense needs.

They will promote mutually advantageous cooperation in the field of construction and architecture on the basis of individual agreements.

Article 10

The Contracting Parties will deepen mutually beneficial cooperation in the sphere of national power and transportation systems and communications, telecommunications, and information systems, promoting the preservation, intelligent utilization, and development of the complexes and integrated systems that have grown up in these spheres.

Freight and passenger shipments by means of rail, air, river, and motor transportation between the two Contracting Parties and transit through their territories, including operations via air and river ports and railroad and motor networks and also operations via communication lines, main pipelines, and electricity networks located on the territory of the other Contracting Party, will take place on the conditions and according to the procedure defined in separate agreements.

Article 11

The Contracting Parties will strengthen cooperation in the sphere of labor and employment of the population, the utilization of manpower, and the regulation of workforce migration.

To this end they will conclude separate agreements regulating the processes of resettlement by citizens and manpower migration, and reciprocal commitments to ensure equal opportunities in the sphere of job finding and provide social guarantees for citizens and family members from one Contracting Party who are in the territory of the other Contracting Party on a legitimate basis.

Article 12

The Contracting Parties will implement close cooperation in the sphere of the protection and improvement of the environment, the prevention of cross-border pollution, and the intelligent and resource-saving utilization of nature, on the basis of separate agreements.

They will provide mutual assistance in preventing and eliminating the consequences on their territories of natural disasters, serious accidents, and the Chernobyl AES [nuclear power station] disaster.

Article 13

The Contracting Parties will cooperate in the sphere of fundamental and applied sciences, including industrial research, and the mutual utilization of the achievements of modern science and technology, while observing their legislation and international commitments in the sphere of intellectual and industrial property.

They will promote the deepening of contacts between their national academies and other scientific institutions, ensure the development of a joint infrastructure to support innovative activity, promote the creation and operations of joint science and production collectives, ensure the development and creation of an integrated information network in the scientific and technical sphere, encourage the implementation of joint programs and projects and the exchange of scientists, specialists, experts, and trainees, and create favorable conditions for the training of scientific personnel.

Article 14

The Contracting Parties will implement equal and mutually beneficial cooperation in the sphere of the education, training, and retraining of personnel. To this end they will promote the wide development of direct links between educational institutions and scientific organizations in higher education and the exchange of specialists for teaching work, the improvement of qualifications and the delivery of lectures, and the joint pursuit of scientific research, special conferences, symposiums, and seminars, as well as the exchange of students, graduate students, and trainees. They will mutually recognize the equivalence of educational documents, academic degrees, and academic titles, and will conclude a separate agreement on this matter.

Each of the Contracting Parties will encourage the study of the languages, literature, art, and culture of the other Contracting Party.

Article 15

The Contracting Parties, drawing on the tradition of close cultural ties, will do everything to strengthen cooperation in various spheres of culture and promote the widening of working contacts between creative unions and associations, cultural institutions, and literary and artistic figures at state, regional, and local level.

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On the basis of the mutual desire to study each other's culture and humanitarian values, they will conclude an agreement on the opening, status, and activities of their own cultural and information centers on the territories of the two states.

Article 16

The Contracting Parties will develop cooperation in the sphere of health care, sanitary and epidemiological oversight, work safety, social protection, and pension provision.

Article 17

Each of the Contracting Parties protects the rights and interests of its citizens living in the territory of the other Contracting Party and gives them patronage and support in accordance with the generally recognized norms of international law, the accords adopted within the framework of the Organization for Security and Cooperation in Europe, and commitments within the framework of the Commonwealth of Independent States.

The legal status of citizens of one Contracting Party who are permanently resident in the territory of the other Contracting Party will be regulated by an agreement under which these citizens will enjoy the same rights as citizens of the Contracting Party on whose territory they reside, subject to the exceptions stipulated in that agreement.

Article 18

Each of the Contracting Parties guarantees to persons considering themselves to belong to the Russian minority in the Republic of Belarus and the Belarusian minority in the Russian Federation the right freely, individually or collectively, to express, preserve, and develop their ethnic, linguistic, cultural, and religious individuality, without being subjected to any attempts at assimilation against their will.

Each of the Contracting Parties pledges to take appropriate measures on its territory, including legislative measures, to prevent and stop threats or acts of violence, discrimination, or hostility toward persons considering themselves to belong to the aforementioned minorities on the grounds of their ethnic, linguistic, cultural, or religious affiliation.

Article 19

The Contracting Parties will collaborate in measures to combat various forms of crime, including organized crime, terrorism, acts directed against the safety of traffic on all forms of transportation, the illegal circulation of drugs, weapons, or nuclear fissile materials, smuggling, and illegal immigration, and also on questions of intercepting and returning cultural assets that are being exported or imported.

Article 20

The Contracting Parties will hold regular bilateral consultations on questions relating to the implementation of the present Treaty.

To this end, a Mixed Interstate Commission is to be set up. The procedure for its formation and activities will be defined in a separate protocol.

Article 21

The present Treaty does not encroach on the rights and obligations of the Contracting Parties arising from other international treaties to which they are parties.

Article 22

Disputes concerning the interpretation and fulfillment of the present Treaty are subject to resolution by means of consultations and talks between the Contracting Parties.

Article 23

The present Treaty is subject to ratification and enters into force on the day of the exchange of instruments of ratification.

Article 24

From the day of the entry into force of the present Treaty, the Treaty Between the Russian Soviet Federative Socialist Republic and the Belorussian Soviet Socialist Republic of 18 December 1990 ceases to operate.

Article 25

The present Treaty will be registered at the Secretariat of the United Nations Organization in accordance with Article 102 of that organization's Charter.

Article 26

The present Treaty is concluded for a 10-year period.

Its operation will be automatically extended for subsequent 10- year periods unless either of the Contracting Parties informs the other Contracting Party by means of a written notification of its desire to terminate its operation not later than six months prior to the expiry of the current period.

Done in Minsk, 21 February 1995, in two copies, each in Russian and Belarusian; both texts have equal force.

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Article Says Treaty Assures Continuity

MM0905155395 Moscow ROSSIYSKAYA GAZETA in Russian 5 May 95 First Edition p 10

[Unattributed article: "Accord With Russia Is More Important Than Local Disputes"]

[FBIS Translated Text] Despite the confrontation which nearly intensified in Minsk between a section of the parliament and President Alyaksandr Lukashenka, a proven supporter of rapprochement with Russia, the ratification in the Belarusian Supreme Soviet of the Treaty on Friendship, Good-Neighborliness, and Cooperation between the Russian Federation and the Republic of Belarus was passed fairly smoothly. Without behaving unreasonably, the hard-line opposition made a point of refusing to participate in what was a historic vote, and the other deputies supported the document unanimously.

So what is the treaty introducing that is new in the everyday political life not just of Russia and Belarus but the entire Commonwealth? And does the practice of bilateral agreements not contravene global documents signed within the framework of the whole CIS?

First of all, the treaty creates a special precedent for CIS countries coming out from under the "Soviet overcoat." The document records the continuity of the post-Soviet documents. In particular, the preface makes a connection with the RSFSR-Belorussian Soviet Socialist Republic Treaty dated 18 December 1990, which, it is noted, "has played its part." Thus, policy documents determining the basis of cooperation for years to come are replacing agreements which to some degree recorded the collapse of the Soviet Union.

The fact that the document itself fits fairly compactly into the common legal area in which both sides exist is also a distinctive feature of the treaty. Notably, both Russia and Belarus on the one hand recognize the natural priority of universally recognized norms of international law, by which they intend to be guided in accordance with the treaty in order to protect their own citizens living in Russia or Belarus. On the other hand, the Treaty also takes into account agreements concluded within the framework of the CIS. Thus the new bilateral document confirms the sides' wish to follow the course that has already been chosen, particularly as regards questions of collective defense.

Finally, the sides reaffirm their readiness for joint cooperation with international organizations at various levels, reasonably deeming their own agreements to be models for international cooperation in the region.

The fact that the treaty is given substance within the entire package of documents signed by Moscow and Minsk in January-February is a pretty important factor which increases its significance. This series of agreements will also be published by the "Economic Union."

Moscow Prods Ukraine To Pay Arrears for Gas

LD1005104095 Moscow ITAR-TASS in English 0956 GMT 10 May 95

[FBIS Transcribed Text] MOSCOW, May 10 (Itar-Tass) — The Russian Gazprom company (Russian biggest gas producer and supplier) intends to continue pressing Ukraine to honour an earlier understanding on paying arrears for Russian gas supplies to that republic, Itar-Tass learnt at the Gazprom company here on Wednesday.

According to the company's spokesman, the Ukrainian side should fulfill understandings reached during a recent visit to Kiev by Russian first vice-premier Oleg Soskovets.

The talks that started in Kiev today, he continued, plan to discuss issues connected with the issue of special Ukrainian state bonds which will be handed over later to Russia to repay arrears as well as to examine conditions on paying debts for Russian gas deliveries this year.

Ukraine's current debt for gas supplies totalled 406 million U.S. dollars over the first two months of 1995. This sum has risen much more over past March and April.

Earlier, under an understanding reached between Gazprom and Ukrgazprom, the Ukrainian side undertook to repay the current debt by May and to start regular payments for all current bills.

Itar-Tass learnt from reliable sources that the talks starting today will also possibly discuss conditions for signing a protocol on a lump-sum payment by Ukraine of 600 million dollars in hard currency to repay its arrears. The earlier understandings also contained such a decision.

Former Azeri President Detained, Released 7 May

LD1005093595 Moscow ITAR-TASS in English 0907 GMT 10 May 95

[By Andrey Kulikov]

[FBIS Transcribed Text] Moscow, May 10 (Itar-Tass) — Ayaz Mutalibov, Azeri ex-president, who was arrested in Moscow on May 7, was released on the same day on the order of the Prosecutor-General's office of the Russian Federation, Itar-Tass learned today from Aleksandr Zvyagintsev, acting assistant to the Prosecutor-General, who decided that his arrested was unfounded.

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Ayaz Mutalibov is accused by the Azeri authorities of organising coup attempts, maintaining a state of emergency in Baku and other regions of the republic for too long without sufficient reason and creating illegal armed groups.

Multinationals Compete for Turbine Blade Plant

MM1005084695 Moscow PRAVDA in Russian 6 May 95 p 2

[Report by Nikolay Volynskiy: "Foreigners Leaving and... Coming Back? Concerning the Privatization of the Turbine Blade Plant"]

[FBIS Translated Text] St. Petersburg — The Turbine Blade Plant [ZTL] is the only enterprise in Russia producing blades for power industry turbines. The plant's main client is the Leningradskiy Metallicheskiy Zavod [LMZ] joint-stock company, which has 10 percent of the world market.

After ZTL was privatized a real battle began between the Dutch firm Stoomhammer-Amsterdam and LMZ for control of the plant. A former Soviet citizen by the name of Yuval Rishe acted on Stoomhammer's behalf. LMZ won the first round, gaining 42 percent of ZTL's shares. Stoomhammer then bought up shares from a number of ZTL's workers until it owned 35 percent of them, making it a dangerous rival to LMZ, especially since the foreign shareholder's plans included the partial conversion of production at ZTL, which meant that LMZ was threatened with the loss of the national turbine blade supply base. In an attempt to counter these plans LMZ called an emergency meeting of ZTL shareholders at which the "pro-Dutch" board of directors of was voted out.

We suspected that Stoomhammer was backed by the powerful transnational company ABB, which had established a base in St. Petersburg by setting up at the Nevskiy Machine Building Plant a joint venture in which ABB owns 80 percent of the shares. ABB regards LMZ as a dangerous and completely undesirable rival. We also presumed that ABB itself would not compete openly for shares in ZTL so as to deny LMZ a components base simply for reasons of modesty, strange as that may seem, or, to be more precise, because it wanted to protect its own reputation.

Meanwhile, the PRAVDA correspondents' center has just received confidential and fairly reliable information that Stoomhammer has sold its shares to... ABB. Thus one of LMZ's most powerful foreign competitors is now openly entering the fray to gain control of Russia's entire power industry machine building sector.

Postscript. At the end of April a regular shareholders' meeting was held at ZTL. It confirmed all the previous decisions challenged by Stoomhammer. The only difference is that Stoomhammer has now been replaced by the ABB corporation as a full participant. The information that this corporation has acquired the 35 percent Dutch shareholding in ZTL has been confirmed. At the meeting the ABB representatives tried with their unvarying determination to block virtually all the proposals put forward, but were unsuccessful.

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Political Issues

Poll on Politicians' Influence on Decisionmaking

MM0905131995 Moscow IZVESTIYA in Russian 6 May 95 p 1

[Unattributed report: "Chubays Catching Up With Korzhakov in Terms of Influence"]

[FBIS Translated Text] After Boris Yeltsin, Viktor Chernomyrdin is the politician who has the greatest influence over the adoption of highly important state decisions. During a poll conducted in April among experts by the "Public Opinion" Foundation, the premier's rating was determined at 9.91 points (on a 10-point scale). The head of government is followed by Aleksandr Korzhakov (8.11), Anatoliy Chubays (6.91), Ivan Rybkin (6.20), Viktor Ilyushin (5.89), Yuriy Luzhkov (4.91), Oleg Soskovets (4.70), and Vladimir Shumeyko (3.02). Sergey Filatov (1.60) and Gennadiy Zyuganov (0.60) make up the top 10. Specialists note Viktor Chernomyrdin's steady position — during the president's absence in April he was in practice in charge of the state, the lessening of Aleksandr Korzhakov's influence over Boris Yeltsin, and the increase in Anatoliy Chubays' rating, IMA-PRESS reports.

Article Urges No Split in Democratic Vote

MM0905134995 Moscow ROSSIYSKIYE VESTI in Russian 7 May 95 p 3

[Article by Igor Kharichev under the rubric "Democracy in Russia: Reality and Forecast": "Rules of Addition in the Election Ocean"]

[FBIS Translated Text] Probably for all its plus points, the problem with life is that it refuses to fit into the elegant, clever schemes created by political scientists. You might think there was no point in resisting and creating unpredictable turnarounds and stressful situations. But no.

The idea of creating two centrist blocs — a center right bloc and a center left bloc — to form the basis for the emergence of a two-party system in Russia is fine. But it should not be regarded as a strategic idea. If only because real parties do not arise overnight, solely on initiative from on high. The main task for the next elections that the two main blocs have to resolve is to cut off radical and revanchist forces and to ensure that democrats and constructive left-wing forces win the greatest possible number of seats in the next State Duma.

It is quite obvious that the attempt to reduce all the constructive forces — from out-and-out free market advocates to sensible socialists — to a couple of blocs is unrealistic. It is hard to suppose that, for instance, the "Yabloko" sociopolitical association and the "Forward, Russia!" movement, whose leaders, G. Yavlinskiy and B. Fedorov, are consistent opponents of the Russian Government and the course it is implementing under the leadership of V.S. Chernomyrdin, will join the Chernomyrdin bloc. For them to take such a step would be to lose face both in their own eyes and in those of their supporters. So "Yabloko" and "Forward, Russia!" don't fit into the two-bloc scheme. The "Russia's Democratic Choice" party, led by Ye. Gaydar, the Russian Party of Social Democracy, led by A.N. Yakovlev, the Republican Party, and a number of others are in a similar position.

So far as I am aware, there are also problems with the creation of the center left bloc, which is theoretically supposed to be headed by Rybkin. Again it is likely that not all the organizations planned to join it will act in conformity with the forecast. There may well be problems with the recently created United Industrial Party of Russia and the "Women of Russia" movement.

However, the idea of "packaging" all constructive forces in two blocs is not only unrealistic but also harmful from the viewpoint of the main task — winning the greatest possible number of seats in the sixth State Duma. The point is that the attempt to muster all supporters of a market economy in a single bloc headed by V.S. Chernomyrdin is not the optimum way of resolving this task. Adding organizations to a single bloc certainly will not automatically add together the electorates of these organizations.

On the other hand, public opinion polls have long shown a decline in the popularity of practically all democratic organizations. None of them has a guaranteed chance of succeeding alone in the upcoming elections. So there is an urgent need for democratic parties and movements to unite in election blocs. However, there should be several blocs upholding the ideals of a market economy.

Life itself will ensure that there are at least four blocs and organizations independently participating in the elections. "Yabloko" and "Forward, Russia!" will probably contest the elections either alone or after absorbing small organizations. There is a chance a bloc may be created involving "Russia's Democratic Choice," the Russian Party of Social Democracy, the "Russia's Choice," and other organizations. The free trade unions that are not members of FITUR [Federation of Independent Trade Unions of Russia] will probably opt for the independent road. But the important thing is that the existence of several democratically oriented blocs taking part in the elections should not be seen as necessarily a loss for the democrats.

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There will be no loss provided that the blocs and individual organizations, besides resolving their own narrow task of winning as many seats as possible for their own party tickets, resolve their common task and ensure the nomination and support of a single candidate of democratic forces in every single-seat district in the elections. During the last elections around 50 seats in single-seat districts were lost because the democratic vote was split. Well known opposition figures like V. Zhirinovskiy, S. Baburin, and Yu. Vlasov got into the Duma with only a relative majority of the vote: The total vote cast for the democratic candidates was bigger. But precisely because the votes went to several candidates rather than a single candidate, the districts were lost to supporters of market reform. Along with the corresponding seats in the Duma.

The nomination and support of a single candidate of democratic forces in every single-seat district can be achieved through the formation of a broad democratic coalition. And, in order to succeed, the method of nomination should take into account the interests of all the organizations involved in cooperation. Everyone who is in favor of market reform and who dreams of transforming Russia into a democratic, rule-of-law state will gain from the creation of such a coalition. However, the experience of the last elections shows how difficult it is to organize cooperation between people who apparently espouse the same views. So a preferable option would be to start cooperation with the Russian regions and to give the federal structures of parties and movements a powerful fillip from below toward forming a broad coalition.

RUIP's Electoral Prospects Examined

MM0905140995 Moscow PRAVDA in Russian 6 May 95 p 5

[Article by Anatoliy Baranov: "'Image of the World' Under the Industrial Party's Leadership. Authorities Preparing for Elections"]

[FBIS Translated Text] Recently the Russian United Industrial Party [RUIP] decided to form itself. This clumsy phrase — "decided to form itself" — is a product of the process of party building in the Russian state.

The party's founders are important people and officials. The party's elected leader is Vladimir Shcherbakov, who led the All-Union Central Council of Trade Unions prior to the events of August 1991 and who then quietly decamped to the "Interprivatization" fund.

The Industrial Party's ideologist will apparently be Anatoliy Dolgolaptev, deputy speaker of the Federation Council, even though the role of ideologist is not enshrined in the party's rules.

Initially, of course, the RUIP will be confused with Volskiy's Civic Union: He has also often mentioned the term used in the trials of the 1930's, but who would have heard of the Industrial Party had Stalin not been at the helm in those days and Vyshinskiy [USSR chief prosecutor in the thirties] not been in the court room [allusion to anti-Soviet underground Industrial Party which existed from 1926-1930 and was accused of acts of industrial sabotage]. But to every action there is an equal and opposite reaction and, since it is well-known that Ilyushenko is certainly no match for Andrey Yanuaryevich [Vyshinskiy] and there is certainly no Vissarionovich on the horizon, the RUIP has patently failed to hit the headlines. But on the other hand there is every opportunity of reaching the elections without personnel losses.

Politicians embarking on the election marathon usually try to denigrate the line which they themselves intend to champion, thereby preventing their rivals from staking a claim to that section of the electorate which they have chosen for themselves. But why try to persuade the supporters of radical communism of the need to support national industrial capital and do this, furthermore, through NEZAVISIMAYA GAZETA or KOMMERSANT, which is rarely read in that environment? It is amusing that the only newspaper which would have been appropriate to supporters of the Industrial Party was SOTSIALISTICHESKAYA INDUSTRIYA, but it was an organ of the CPSU Central Committee and no longer exists, which was the Central Committee's own doing. That clearly was when the foundations of deindustrialization were laid.

The Industrial Party, which is headed by experienced politicians, does not make mistakes like that. It has set its sights on the intelligentsia and the working class elite, as well as on the industrial and technical bureaucracy — people disillusioned initially with Soviet reality and subsequently with its anti-Soviet version in recent years.

It is precisely these people who are being offered quite a new and fresh view of the country's industrial, technical, and scientific potential as primarily a spiritual phenomenon. "What has happened in Russia," Anatoliy Dolgolaptev stated at the Industrial Party congress, "is that by the end of the century the most powerful social stratum of educated people is the technocracy and I believe that they can be a medium for stability through a philosophy commensurate with the scale and essence of our fatherland."

Dolgolaptev's assessments of his future electorate are quite positive — up to 40 percent of the floating voters should heed the Industrial Party's appeals and, if things work out right, one-half of them will vote for the RUIP.

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At this point you cannot help recalling the sociological forecasts made before the 1993 elections: If you were to add up the percentages that the various parties and blocs expected to get, the total would have been around 400 percent. Civic Union lost on that occasion, a fact which Dolgolaptev attributes to the sluggishness of Volskiy's supporters who, in the deputy speaker's words, were reminiscent of Hasek's party of "moderate progress within the framework of the rule of law."

Admittedly, it has to be recalled that Volskiy's Civic Union did not quite garner 5 percent of the vote in those elections and, had the situation in, say, Ossetia, developed slightly differently, Arkadiy Ivanovich would have been sitting in the Duma instead of Shakhray or Travkin.

But now, even if the new industrialists take account of the experience of past elections, the voters will have to choose between Volskiy, Skokov, and Shcherbakov.

All of this is quite regrettable because the words uttered at the congress may have been in vain: In some places, for example, there was a "perception of Russia as a world center whose development has the most powerful influence on other civilizations and provides an opportunity for correctly forming the system of domestic and foreign national interests. If you try to imagine what Russia as a civilization represents in an historical context then we have to acknowledge that this is the only occasion in the world in which an inconceivably large number of cultures, religions, and ethnic groups have combined in a vast geographical area, interact among themselves, and arrive at a new qualitative state. And this complex civilization system is a kind of image of the world. And the whole point is that the entire world is moving toward such a condition."

Essentially the disillusioned technocrats are being offered a new view of the historical process, a kind of "historical immaterialism."

Furthermore, the fundamental reasons why the RUIP disowns both communism and liberalism (but communism to a greater extent) mean that the Industrial Party is no longer an ally of the "red directors," as Volskiy's Civil Union was known, as you will recall, but the party of the directors of no color. That is why when a worker sees the name RUIP on the ballot paper for the first time in his life he will most probably vote not for the word "industrial" but for the word "workers" contained in the Russian Communist Workers Party, while a member of the liberalized intelligentsia is more likely to opt for Yavlinskiy or Glazyev. And the RUIP will not be able to compete with the Program of the Communist Party of the Russian Federation, even if it is based on historical and dialectical materialism amended to include the state and the orthodox religion. It would seem that the only hope is on the existing quasi-urban complexes such as Magnitogorsk and Angarsk.

All of this is quite distressing when viewed against the background of the continuing consolidation of the party of power in which Chernomyrdin has finally overcome Luzhkov — so much so that there are persistent rumors that the latter will resign immediately after 9 May and that the functions of running the capital will be transferred to First Vice Premier Soskovets. I repeat that these are rumors, but they really are circulating within the apparatus of a number of departments which are largely independent of one another — in other words, they are rumors deliberately "launched" by someone. And this is an indication that there are those at the top who are trying to find out how people will react to such talk. In addition, a bloc has been created — "His Majesty's loyal opposition" — which has no room for the mayor of Moscow, the man who expelled Russian-grown agricultural produce from the capital's market — indeed, in what capacity could he join it?

Working Group To Plan Fight Against Crime

MM1005093095 Moscow ROSSIYSKAYA GAZETA in Russian 5 May 95 First Edition p 5

[Russian Federation Government Directive No. 554-r, signed by Russian Federation Government Chairman V. Chernomyrdin and dated 21 April 1995, Moscow: "All Together Against Crime"]

[FBIS Translated Text] 1. An interdepartmental working group is to be set up to elaborate a draft federal program to intensify the fight against crime for the years 1996-1997 (hereinafter referred to as the interdepartmental working group) and its membership (not published) approved.

2. Before 1 September 1995 the interdepartmental working group is to elaborate and submit to the Russian Federation Government in the prescribed manner a draft federal program to intensify the fight against crime for the years 1996-1997.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

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Media Issues

Konnov on Reorganization of Information Structures

MM1005074795 Moscow TRUD in Russian 3 May 95 p 1

[Unattributed report under the "In the Corridors of Power" rubric: "Authorized to State"]

[FBIS Translated Text] Viktor Konnov, press secretary of the Russian Federation Government, reported that plans for the reorganization of the existing government information structures into an information administration are currently being elaborated by the apparatus. A final decision on this question will be adopted in the next few days, including on the issue of the chief of the information administration, he said. During the creation of the new structure, which will consist of several departments, the emphasis will be placed on the press service and the television and radio subdivisions which will be involved in coverage of government activity, Viktor Konnov said. Thus it is expected that the government press service, which is currently an autonomous subdivision headed by Valentin Sergeyev, will be structurally included in the government apparatus and will be made indirectly subordinate to Vladimir Babichev, chief of the apparatus. However, the press secretary stressed, a final decision has not yet been adopted on this.

From what Viktor Konnov said, the new outline for the information structures may possibly resemble the presidential structure, where the posts of press secretary and chief of the information administration are at the same level.

Viktor Konnov reported that, in connection with the recent decision made by Viktor Chernomyrdin to head an electoral association, one way or another he will have to combine the post of the head of government's press secretary with activity involved in coverage of the movement.

Government Press Service Replaced by Administration

MM1005100295 Moscow ROSSIYSKAYA GAZETA in Russian 7 May 95 p 3

[Russian Federation Government decree No. 448 "On Measures To Improve Cooperation Between the Russian Federation Government and the Mass News Media" signed by V. Chernomyrdin, chairman of the Russian Federation Government, and dated 3 May 1995, Moscow]

[FBIS Translated Text] With a view to improving cooperation between the Russian Federation Government and the mass news media and eliminating unjustified duplication in the activities of various institutions in this sphere the Russian Federation Government decrees:

1. A Government Information Administration is to be formed within the Russian Federation Government Apparatus and the number of senior officials [otvetstvennyye rabotniki] of the Russian Federation Government Apparatus is to be increased by 50.

2. The following are to be deemed the main tasks of the Government Information Administration:

elaborating a blueprint for media coverage of the activities of the Russian Federation Government;

providing the mass news media with material about the activities of the Russian Federation Government on questions placed by the Russian Federation Constitution within the competence of the Russian Federation Government;

circulating in a timely manner official information about Russian Federation Government decisions;

organizing explanatory work for the Russian and foreign public regarding the Russian Federation Government's socioeconomic policy, including official commentaries on decisions;

preparing and holding press conferences, briefings, and other media events with the participation of the chairman of the Russian Federation Government and his deputies;

ensuring media coverage of official visits and trips by the chairman of the Russian Federation Government and his deputies;

providing information to Russian and foreign mass news media accredited to the Russian Federation Government;

preparing for the chairman of the Russian Federation Government and his deputies analytical information based on material from the press services of federal organs of state power and organs of state power of the Russian Federation components, and also on articles in the mass news media;

cooperating with the press services and press centers of the Federation Council and State Duma, the Russian Federation Presidential Staff, federal organs of executive power, and the organs of state power of the Russian Federation components;

videotaping sittings of the Russian Federation Government, maintaining an archive of video and audio recordings and a photographic archive, and organizing the use of the aforementioned archives in accordance with established procedure;

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preparing for broadcast television and radio programs about the activities of the Russian Federation Government;

creating and organizing the work of temporary mobile information centers.

3. The Russian Federation Government Press Service is to be eliminated.

A winding-up commission is to be formed to resolve in accordance with established procedure questions connected with the elimination of the Russian Federation Government Press Service.

The leader of the Russian Federation Government Apparatus is to approve the membership of the winding-up commission and resolve in accordance with established procedure other questions connected with eliminating the press service and forming the Government Information Administration.

Expenditure consequent upon the elimination of the Russian Federation Government Press Service is to be funded from the resources earmarked for the maintenance of the press service.

4. It is laid down that the activities of the Russian Federation Government Apparatus Government Information Administration are to be carried out on the basis of the premises and material and technical resources placed at the disposal of the eliminated press service.

5. The following are deemed null and void: decree No. 780 of the Russian Federation Council of Ministers-Government of 11 August 1993 "On Organizing the Press Service of the Russian Federation Council of Ministers-Government" (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII, 1993, No. 33, p 2,106) and decree No. 1051 of the Russian Federation Council of Ministers-Government of 13 October 1993 "Questions of the Press Service of the Russian Federation Council of Ministers-Government" (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII, 1993, No. 42, p 4,010).

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

Commentary Views Reorganization

MM1005101895 Moscow ROSSIYSKAYA GAZETA in Russian 7 May 95 p 3

[Untitled "Commentary" by Albert Valentinov]

[FBIS Translated Text] A total reorganization of information structures within the government apparatus is being carried out in accordance with Russian Federation Government decree No. 448 of 3 May 1995 "On Measures To Improve Collaboration Between the Russian Federation Government and the Mass News Media."

The decree eliminates the Russian Federation Government Press Service, which has over 100 staff, who have cost taxpayers a considerable amount of money. Instead of the press service, a Government Information Administration with half as many staff but a much wider range of tasks is being set up within the Government Apparatus.

The main tasks are to provide Russian and foreign mass media with objective and timely material about the activity of the Russian Federation Government and the work of ministries and departments; to organize explanatory work for the Russian and foreign public; to prepare for the chairman of the Russian Federation Government and his deputies analytical information based on material from the press services of federal organs of state power and the organs of state power of Russian Federation components, and also on articles in the mass media; and collaboration with the press services and press centers of the Federation Council and State Duma and the Russian Federation Presidential Staff.

Particular attention is to be paid to covering questions of social protection for Russian citizens and to the improvement of their living standards. In this connection it is planned to set up a special structural component within the new administration, which is something the former press service lacked.

As is well known, the government chairman got his own press secretary a few days ago. He is Viktor Konnov.

Clearly, a press secretary for the new electoral movement headed by V. Chernomyrdin will also be appointed shortly.

Presidential Information Chief Interviewed

MM1005091195 Moscow ROSSIYSKAYA GAZETA in Russian 7 May 95 p 2

[Interview with Sergey Nosovets, chief of the amalgamated press center of the president's staff information administration, the Russian Foreign Ministry press center, and the "Ostankino" television technical center, by Sergey Karkhanin; date and place of interview not stated: "Sergey Nosovets: No Reason To Accuse Authorities of 'Secrecy'" — first paragraph is introduction]

[FBIS Translated Text] Over 60 briefings and press conferences with the participation of well known politicians, economists, and military leaders have already taken place at the press center "on Staraya Square"

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which has recently been operating almost daily. A temporary amalgamated press center has been formed by a directive of Boris Yeltsin consisting of the structural subdivisions of the information administration of the president's staff, the Russian Foreign Ministry press center, and the "Ostankino" television technical center. Sergey Nosovets, head of the information administration, has been asked to head this service.

[Karkhanin] Sergey Anatolyevich, what is the point of these changes, what has caused them?

[Nosovets] The amalgamated press center was created temporarily and its task is to help the press, radio, and television in covering the celebrations marking the 50th anniversary of the Victory. As for our administration, it has now been joined by three of the four components of information policy under the president: the press service, the operational information center, and the information support administration. And Boris Yeltsin's press secretary is collaborating closely with us. In my view it is the present model which is most expedient in order to collaborate with journalists and describe the president's policy objectively and extensively.

At the press center "on Staraya Square" we have, for instance, held over 30 daily briefings on the Chechen events when the press particularly needed information. Let us add that none of the leaders we invited refused to meet with journalists. We are using this organizational experience during preparation for the Victory jubilee. The press center will operate after the holiday too and the main avenue of this work is connected with the president's decisions, directives, and edicts, and we intend to provide the press with additional objective information. We very much treasure our mutual relations with the government and its leaders and effective contacts have been set up with the Federal Assembly and other federal organs.

We supply materials to many publications, including those which are not very loyal toward the present authorities, so that they can use not rumors and fabrications but specific documents. It is true that sometimes we do not manage without incident. Once MOSKOVSKIY KOMSOMOLETS published a "rumor in the form of a story" claiming that there was a directive according to which every employee of the staff on returning from a business trip had to prepare for the leadership a kind of written political report on what he had seen and heard during his trip. Of course, this directive does not exist, and nor do the reports, and MOSKOVSKIY KOMSOMOLETS knows this, because at their request we supply the editorial office every day with all the directives signed in our department. But in my reply published in MOSKOVSKIY KOMSOMOLETS instead of a phrase about the regular handover of documents there was instead an enigmatic ellipsis. And chief editor Pavel Gusev explained it as follows: It was inconvenient to admit to readers and colleagues from other independent newspapers that MOSKOVSKIY KOMSOMOLETS enjoys information sources in the president's staff.... Although I cannot understand what there is here to be ashamed of.

[Karkhanin] Many of our readers remember you as presenter of the television program "Russian Parliamentary Herald" closed down by Ruslan Khasbulatov. You have been a journalist for many years so please tell us frankly: Does administrative work not seem a little boring to you?

[Nosovets] No, it does not. And primarily because we are all living through a very interesting historical moment. We are propagandizing the policy of the president and government, supporting that policy. We have no administrative "levers of pressure" on the press and indeed today who can we pressurize? Any information of ours can easily be checked so that accusations of its possible "adaptation" are unfounded.

Moreover, we have the right to elaborate and to submit for the president's examination proposals for improving state policy in the field of the mass media. So that we are ready together with our journalist colleagues to think about this too, especially as there are many problems. Perhaps we should change the tax system and relations with the Ministry of Communications. Large-scale decisions which are made by the president and affect the mass media are also, as they say, our interest. As for boredom, it is the lot of those whose work no one needs.

[Karkhanin] Sometimes one hears accusations that the present federal organs of power are almost totally closed to the press.

[Nosovets] The basis of our present administration — the former information backup administration — was created in March last year and in this time it seems to me we have managed to a considerable degree to eliminate the psychological barrier which separated representatives of large federal organs of power and the press. How? We are seeking to ensure that their contacts are of a businesslike and well-intentioned nature.

On the other hand it does happen that at briefings about very topical problems few journalists come to the press center. And then those who do not want to make use of our help loudly accuse the authorities of "secrecy." A typical example was television commentator Sergey Dorenko, who claims that he cannot get through on

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the telephone to the presidential or government press services....

Yes, we still have a mass of problems but the first results, albeit still modest ones, do, it seems to us, confirm that we are on the right path. Constantly meeting with journalists I sense their interest in our work and that is perhaps the main thing. We are ready to help journalists to create interesting, wide-ranging projects requiring regular contacts with representatives of the federal authorities and then to stand aside so that they can collaborate directly. There are already quite a few examples of this.

[Karkhanin] One of your administration's tasks is to provide the president with information, including with the aid of press surveys. But obviously that is not all he uses?

[Nosovets] On meeting with staffers of our administration the president often imparts his impression of television programs and newspaper items. So that in that sense he is an ordinary man. Although, of course, as head of state he has many channels of information.

[Karkhanin] But because of your job you are probably one of the country's most conscientious readers, radio listeners, and television viewers?

[Nosovets] Not only because of my job: In our family we have always subscribed to many newspapers. But now, as an ordinary reader I do not find enough calm and balance in newspapers. A struggle is flourishing and since for some reason it is usual to struggle against the federal organs then it is mainly these organs they struggle against. Often this struggle is of an offensive, loutish nature. And they attack those with whom it would not be hard to meet and from whom they could get answers to all their questions. Why does everyone not turn to us, for instance? Perhaps because of a misconceived "internal independence."

The regional press behaves far more calmly and it does not have such an acute desire to prove its independence to the whole world. Shouts about the advancing danger to the freedom of the press heard from the pages of a number of Moscow publications are without cause: The president's actual decisions say something completely different. It is characteristic that the most vociferous fighters for the freedom of this press themselves behave in an utterly unbridled manner within this freedom. Although it is curious that when the television cameras are turned off, as they say, many of them are quite well intentioned. I was convinced of this when, during the "Press Club" television program, I and Marina Nekrasova, leader of the presidential press service, had to suffer many attacks from journalists but when the program ended they offered us their cooperation and in general a normal conversation began.

I think that readers and television viewers are already tired of far-fetched horrors and sensationalist stories. Every Russian treasures stability which, despite the Chechen events, has been achieved in the country. And our task, with the aid of objective information, is to help that stability be preserved.

New TV Company Reflects 'Balance in Society'

MM1005081095 Moscow ROSSIYSKAYA GAZETA in Russian 4 May 95 First Edition p 7

[Article by Aleksey Pushkov: "Russian Public Television a Month On"]

[FBIS Translated Text] There are still heated arguments and impassioned discussions going on over the formation of Russian Public Television [ORTV]. There is also impassioned discussion of the manner in which the company was formed, who its founders are and what political intentions they have, and much else beside. You can go on arguing about this for ever. In the meantime we have before us an organism which is already up and running and on whose work tens of millions of television viewers depend for news, entertainment, and good cheer. It is from this particular angle that we must now look at ORTV, one month after it started broadcasting on the first channel. Let us try to look into ORTV's work calmly, without bias, and on the basis of the most important criterion — what we see on our television screens.

What Is Taking Place On-Screen

ORTV's political opponents claim that a political group oriented toward the present authorities and President Yeltsin has with its assistance taken over the airwaves. It is on this basis that the conclusion is being drawn that the first channel will be monopolized by an absolutely fixed political viewpoint. But let us take a look at which of the moderators and journalists on the first channel's main programs actually represent the authorities. Perhaps, Aleksandr Lyubimov, who on the night of 3-4 October 1993 showed a marked disinclination to participate in a scrap on the side of the president? Or Aleksandr Nevzorov, with his program "Badlands" [dikoye pole]? So is he too a devoted supporter of Yeltsin? Or Yuriy Shchekochkin, who has published damning reports against the authorities from Chechnya in LITERATURNAYA GAZETA?

It is, perhaps, right to accuse ORTV of a certain eclecticism in its choice of moderators and of a desire to bring together political and program-making styles

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which are too varied, but certainly not of presenting viewpoints and opinions which show too little variation.

ORTV has not been seen to conceal any important information from the viewers. Wasn't it the first to report on the strike in Maritime Kray and its causes? Didn't it make reports from Samashki and Bamut? Did it keep quiet about the enormous oil spillages from the Siberian pipelines for which the government bears direct responsibility?

Radicals from the Liberal Democratic Party of Russia of the likes of Sergey Kalashnikov are shrieking about a takeover of the television airwaves. But a takeover presupposes that your opponent is squeezed out of the area which has been taken over. But what do we see on ORTV? On the weekly program "One on One," Fedorov and Zyuganov, Shabad and Govorukhov do political battle, each of them actually mercilessly criticizing the authorities from his own viewpoint alone. Open opponents of ORTV such as Kalashnikov himself and his Duma colleague, Sergey Burkov, are given an opportunity on Sergey Dorenko's program "Versii" [versions] to express their views not on some abstract question but against ORTV itself. Is this a takeover of the airwaves? Or their monopolization by the authorities? Or the opposition being gagged?

The arguments of ORTV's opponents basically reflect their emotional confusion and deep regret that they are not in control of the first channel to further their own interests. We should have no doubt that if the first channel were to be put in the hands of Mr. Kalashnikov, a member of Zhirinovskiy's party, he would show us true democracy on the airwaves!

On the basis of its first month of broadcasting, ORTV is not serving the government but is embodying the dynamic balance in society between the authorities, the opposition, and the great mass of voters and viewers who are united under the significant heading of the people.

ORTV has not taken the airwaves away from the government — the controlling block of shares in ORTV does actually belong to the state as represented by the State Committee for the Management of State Property, the state company "Ostankino," ITAR-TASS, and the Television Technical Center.

The airwaves have also not been taken away from the opposition — its representatives appear no less frequently on the first channel under ORTV than in the days when "Ostankino" broadcast on the channel.

The people do not seem to have suffered either: They have a choice, there are plenty of opposing opinions on the air, and a whole range of views from Nevzorov to Shchekochin is represented on it; things have even improved somewhat as far as feature films are concerned — "Indochine" has already been screened, there was an edition of "cinema-Tuesday" [kinovtornik] made up from the masses' favorite Soviet films which was shown 2 May, and the well-known film "Schindler's List" is going to be screened on the 14th. But as a whole it is the best home-produced films which have begun to predominate on the channel.

No, it is actually unnecessary to appeal to the people: They really have not suffered. ORTV has set off along a path of renewing the first channel while preserving on it everything that had won it recognition and is genuinely appealing. ORTV did not reject a single popular game show, including "Wheel of Fortune," "What? Where? When?", and "The Brain Trust." It has not missed a single really major public event. The theme of the 50th anniversary of Victory Day is being heard on the first channel loud and clear. Some six hours during the morning, afternoon, and evening have been set aside for the broadcast of the television marathon in honor of Victory Day, which even PRAVDA noted. A series of items is being prepared for 9 May on the participants in the victory parade in Red Square called "The Unconquerable." The ORTV leadership is also promising to breath new life into news broadcasts by strengthening the analytical component in them and traveling more outside Moscow to expand coverage of the regions.

ORTV, it seems, is really striving to justify its name — public television — through its variety of broadcasts, by taking account of its viewers' great range of tastes and interests, in its understanding of the importance of landmark events in our history, and ORTV's openness to discussion. In spite of the fact that it is formally speaking a mixed state-private company. Of course, ORTV still has to define its own house style, which, say, Independent Television [NTV] has but which the first channel still lacks. But this is a question of production, and we will leave its resolution to the company itself.

Party of Common Sense

The founders of ORTV lay claim to representing one party alone — the party of common sense. They lobby for the interests of Russia and its citizens. ORTV General Director Sergey Blagovolin states directly that ORTV is striving to be the mouthpiece of a certain viewpoint in politics — the viewpoint favoring a broadening of public accord.

Usually statements of this type draw a skeptical smile from us. You see, we have been taught that the specific interests of specific classes are behind all declarations.

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But here, it seems, we have something. After all, we have unfortunately been missing a party of common sense for a long time now. The competing factions at each end of the political spectrum, each of which called on the voters to march under their banners like during the celebrated civil war, attempted and are still attempting to tear society apart.

In October 1993 people saw with their own eyes what this leads to and were horrified. But the most striking and important thing, which none of those who were fighting and shooting wanted to notice, was the fact that the majority of society did not want to make a choice between these factions. Battles took place in Moscow and passions ran high in St. Petersburg and a dozen other major cities, but Russia as a whole went quiet during that memorable October in the hope that the tragedy in Moscow would not spread. This was and remains that Russia of common sense which rejected the logic of civil war and instinctively obeyed that powerful natural impulse for self-preservation, and strove and continues to strive for peace and accord.

ORTV has every chance to become the television mouthpiece of that very centrist viewpoint which has never been able to gather momentum in Russia owing to the bitter rivalry between elites and Russian leaders' radicalism. Russia never has had the patience and desire to turn centrist feelings into the basis of its political culture. Meanwhile this very thing has happened in the United States, France, and Britain, and it is precisely what guarantees the stability of their political systems.

The fact that there are nine private companies among ORTV's founders, including such major ones as the "Stolichnyy" bank, "Menatep," "Imperial," "Gazprom," "LogoVAZ," and "Natsionalnyy Kredit," is in itself of no significance. What is important is what goals these groups are setting themselves. Their leaders state that they are interested in stability and social accord. So what is bad about that? I do, however, foresee objections: These words are all very fine, but these companies in actual fact want through ORTV to force their will on the voters. Heck, ORTV like NTV or any other television channel, has an influence on politics in the country. But what is important is this influence's direction. If it is directed against conflict in society, against further great upheavals, which have regularly taken the lifeblood out of Russia, surely this does not conflict with anybody's interests?

To all appearances, the private founders' private opinions are not manifested in direct control over ORTV's actions. For example, head of the "Natsionalnyy Kredit" bank, Oleg Boyko, would, in his own words, prefer the elections to be put back a couple of years. But has ORTV come out even once or said a single word against the elections?

The main weakness of centrism and centrists is that they attract criticism from both sides — from both left and right. The main strength of this current is actually common sense and an inclination to take political steps gradually and with care. If ORTV takes on itself the support and dissemination of such an approach, it is hardly likely that anyone will suffer from this, apart from those for whom a gradual and careful approach is harmful and who hope to gain success only by creating the next in the series of revolutionary situations.

What Is Happening Off-Screen

Off-screen a stormy debate is unfolding about off-screen problems which are in principle of no interest to viewers but on which what they see on-screen depends directly.

At the center of this debate is the State Duma's demand, in the form of a law, to take away ORTV's broadcasting license. But what will happen in that case? In that case the same fate undoubtedly awaits the first channel as has befallen the remaining state channels — which by all accounts is an unenviable one. According to information from the Ministry of Communications, by 1 April the money owed by state television and radio companies to communications enterprises exceeded 480 billion rubles [R]. In connection with this and the catastrophic state of radio and television broadcasting facilities, the central committee of the communications workers' trade union is threatening to cut sharply the amount of broadcasting from 15 May — from 1800 until the end of prime-time broadcasting.

The ORTV leadership assures us that none of this will affect the first channel — transmissions will continue as normal. Here we have the direct advantage of attracting private funds to keep the first channel's activities going.

Aside from this, the state simply does not have the money to have the whole responsibility for the first channel imposed on it again. Incidentally, the 1995 budget, which has been confirmed by the Duma, has set aside only R148 billion for it, whereas its total expenditure for the year will come to about R1 trillion. It is precisely this shortfall which the private banks and companies — ORTV's founders — are supposed to cover. Under these circumstances, undermining its existence means creating deadlock around the first channel and ignoring the interests of tens of millions of viewers, who will only suffer as a result of the political games being played in television.

Whatever complaints might now be made against ORTV, its formation was a constructive decision. The

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Duma law, on the other hand, is directed against what is already up and running. ORTV today presents the only formula which allows the main national channel to be preserved and developed, giving the people an opportunity of uninterrupted communication with the small screen. Surely this is what is most important?

Military, Nuclear & Space Issues

CGS Kolesnikov on Army Funding, Reforms

MM0905114495 Moscow KRASNAYA ZVEZDA in Russian 6 May 95 pp 1-2

[Interview with Colonel General Mikhail Kolesnikov, chief of the Russian Federation Armed Forces General Staff by Oleg Falichev; date, place not given: "Despite All the Difficulties the Russian Army Has Stood Its Ground and Remains a Guarantor of Stability. That Is the Result of the Three Years Since the Formation of the Russian Armed Forces" — first two paragraphs are introduction]

[FBIS Translated Text] It is three years to the day 7 May since the formation of the Russian Armed Forces. Historically that is undoubtedly a short period. But we know how difficult these years have been for the Army, which found itself along with the country in a crucial period. How instructive has the experience of military reform been for us? What has it proved possible to achieve in this time and what has not? What are the prospects?

Colonel General Mikhail Kolesnikov, chief of the Russian Federation Armed Forces General Staff, answered these and other questions during a conversation with your KRASNAYA ZVEZDA correspondent.

[Falichev] Comrade Colonel General, quite a number of problems have built up in connection with army reform. But before we move on to discussing them, it would evidently be wrong not to remember that our conversation is taking place on the eve of an event of world significance — the 50th anniversary of the Soviet people's Victory in the Great Patriotic War....

[Kolesnikov] Before I answer your questions, therefore, permit me to dwell on the following point.

Given the competence of your newspaper's military audience there is no need to engage in "self-accounting." The reader is aware first-hand of what has been accomplished and what has been neglected or, rather, not carried out in the Russian Armed Forces' three-year existence and in many cases has directly felt the consequences.

Another point is important: It is evidently only after a certain period of time that our society will fully be able to appreciate the patriotism, loyalty to professional duty, selflessness, and self-possession of the hundreds of thousands of officers and enlisted men who, amid the overturning of their ideals, the destruction of their stereotypes, and the political and economic instability have nonetheless been able to preserve our Army and its traditions of serving the Fatherland. I would like to stress this on the eve of the 50th anniversary of the Great Victory, when we address not only the memory of the unfading exploits of the Soviet people and their army, who defended the country's freedom and existence, but also the lessons of that war.

Allow me to take this opportunity to cordially congratulate the KRASNAYA ZVEZDA collective and the newspaper's readership, particularly participants in the war and veterans of the Armed Forces, on the coming holiday and wish everyone good health, happiness, peace, and prosperity.

[Falichev] Thank you, Mikhail Petrovich. The events in Chechnya have put on the agenda in a major way questions of strengthening the country's defense capabilities. The situation as regards NATO's expansion to incorporate countries which formerly belonged to the Warsaw Pact Organization and the submarines which are constantly darting about near our shores are also a major source of concern.... How is all this reflected in Russia's concept of national security?

[Kolesnikov] Let us clarify right away that strengthening the country's defensive capabilities has never ceased to be a priority, and has always been on the agenda. But it is possible to agree with your line of questioning, if you mean that the Chechnya events have graphically illustrated the large number of problems that have accumulated in the Army.

In addition, it is important to understand that there is a huge difference between the consequences of, for example, the expansion of NATO's borders, their drawing nearer to Russia, and the participation of our Armed Forces in the solution of our own internal state problems. These are phenomena of a different order from the viewpoint of their influence on the practice of defense organizational development.

As for NATO: We naturally cannot fail to take account of the processes taking place within that bloc. They are unequivocally assessed by us as actions to the detriment of Russia's security. At the same time, it is still too early to talk about changes in conceptual approaches to ensuring our national security as a whole and in the military sphere in particular.

But in the event that NATO implements the aforementioned plans, changes will have to be made, especially in

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the military-technical sphere. For example, in the composition and location of military groups of troops, their tasks and infrastructure, and so forth. Which will undoubtedly also necessitate a review of our approaches to elements of the existing system of treaties in the sphere of arms control agreements.

The events in Chechnya and the participation of Russian troops in them is our internal affair. It is even more important that these events should not be regarded as factors capable of bringing about a change in conceptual approaches to the military aspects of the country's national security. They represent a limited and in many ways specific military campaign by the power structures aimed at imposing constitutional order on a small part of Russian territory. The fact that the combat activity of the subunits and units of the military chain has provided a certain amount of food for thought and grounds for making certain modifications in the operational tactics of personnel, especially in conducting combat operations in cities, the organization of communications, psychological training, and the organization of collaboration between subunits and units, is another matter altogether.

[Falichev] Three years is a mere infancy for a person, never mind the Armed Forces, But many events have taken place in the life of the Army in this period. Can we now sum up any results of its reform? What specifically has it proved possible to achieve in this period?

[Kolesnikov] Let me start by saying that the Russian Army and Navy were not formed from scratch. Although the former Union's Armed Forces were divided up mainly on "geographical lines," Russia nonetheless inherited a considerable proportion of the USSR's military potential. And this means that everything did not have to be created from scratch.

At the same time the objective difficulties that have arisen in connection with the division to a considerable extent predetermined the tremendous amount of work that had to be carried out in order for the Russian Armed Forces, proclaimed 7 May 1992, to acquire their characteristic look as a new, integrated military organism. The main result is that Russia has not only preserved its manageable Armed Forces but has also been able to begin a long list of measures to reform them.

What is particularly important is that a tremendous amount of work has been done to provide legal support for the organizational development of the Armed Forces. A number of legislative acts have been adopted to regulate their activity. The Basic Provisions of Russian Federation Military Doctrine have been formulated and ratified by the president and Security Council.

The General Staff, in conjunction with the main staffs of branches of the Armed Forces and Defense Ministry main and central directorates, has carried out a series of measures pertaining to strategic and operational planning for the use of troops in the new geopolitical and geostrategic conditions and mobilization planning. The draft concepts of the armament program, military-legal reform, and military education have been adjusted and a number of other conceptual documents formulated.

The Russian president has ratified a plan for the operational equipment of Russian territory in the interests of the country's defense. In 1993-1994 a new system of Armed Forces combat readiness was formulated and put into action. The planned troop withdrawal from other states has been completed, even though this was unprecedented in world practice in peacetime and over such a brief period. However, all these measures were and are being carried out at the same time as cuts in the Armed Forces. In this period the number of personnel has dropped by almost 1 million and as of 1 January 1995 totaled 1,917,400 servicemen.

As for the actual reform of the Armed Forces, I would like to stress that it has indeed been protracted. The slow pace is down to one thing — the state's weakened economy and, to be blunt, the hitherto inadequate attention paid to the country's defense. The implementation of military reform, including army reform, is a matter not just for the military but, primarily, for the state.

Thus, we have long since left behind the "age of infancy," to use your expression.

[Falichev] Nonetheless there is every indication that certain provisions of the concept for the reform of the Army need to be revised. Take the example of contract personnel.... What other problems have been encountered in this respect?

[Kolesnikov] Briefly, Army and Navy reform essentially presupposes the creation of relatively small, mobile Armed Forces equipped with modern, highly efficient weapons and manned by trained personnel.

The implementation of these plans necessitates, as you know, enormous financial and material expenditure, which the state must allocate for this purpose. But it is quite obvious to everyone that the economic situation in the state is now extremely grave: The main problem is one of finance. So we can, regrettably, only talk in extremely theoretical terms about reform and retooling of the Armed Forces given the existing system and levels of funding. Judge for yourselves: In 1994 alone the Defense Ministry had a shortfall of 12 trillion rubles [R] from the federal budget. As a result, for instance, fulfillment of the combat training plans fell dramatically

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(on average they are 30-35 percent fulfilled). A number of formations, combined units, and units are indeed facing the problem of "survival."

Owing to incomplete, uneven funding and the lack of a system of guaranteed advances for the state defense order (defense industry enterprises were underpaid by R7.8 trillion) a crisis situation has developed with regard to arms and military equipment. Here are specific figures.

Last year the shortfall in funding for the defense order was as follows: 36.1 percent in respect of procurements of arms and military equipment; 33.5 percent on research and development work; 51.4 percent in respect of work to destroy and recycle arms and military equipment. The number of modern models is steadily falling and at present stands at around 30 percent of the arms in the arsenal. For comparison's sake, in developed Western countries the level of modern equipment and arms is 60-70 percent. With the existing state of affairs Russia will simply be unable in a few years to develop promising weapons and military hardware. So we have food for thought....

Manning in the Armed Forces also causes serious concern. To date the shortfall of enlisted ranks and NCO's stands at around 280,000 men. This problem cannot be resolved using contract personnel in the current economic conditions. Moreover, we must also bear in mind the fact that many officers have begun to be reluctant to continue their service, mainly owing to the low level of pay and poor working conditions. All that naturally has a direct effect on the level of combat readiness and combat capability.

Needless to say, problems of funding cannot be resolved without a substantial economic upsurge in Russia. We appreciate that. Therefore the Defense Ministry is seeking all possible means of making the most effective use of military budget funds.

There are also other problems which have been encountered in the course of reform. In these conditions we are naturally obliged to make the requisite adjustments to the plans for the formation of the Armed Forces. At the same time the development of both the domestic and foreign political situation are also taken into consideration along with their possible effect on the subsequent course of events.

[Falichev] Today young people are blatantly refusing to serve in the army, which is increasingly becoming a worker-peasant army. It looks as though everyone in our country is not equal before the Constitution.... How long, in your view, will this kind of thing go on and what is the solution?

[Kolesnikov] The reference to the Constitution is not entirely justified when talking about our country's citizens performing military service. The point is that Article 59, Section 2 of the fundamental law reads as follows: "Citizens of the Russian Federation perform military service as provided by federal law."

How do things stand in actual fact? In 1995 no more than 420,000 of the 1.8 million citizens on the draftee register may be drafted for military service, i.e. 23.6 percent of the country's available resources. We need around 700,000 men, including over 450,000 for the Armed Forces themselves, to fully man the Armed Forces and other troops at peacetime levels, even allowing for the planned cuts.

Why are 76.4 percent of citizens not being drafted for military service? It transpires that 46.5 percent are studying at VUZ's [higher education establishments], technical colleges, and vocational-technical schools, 17 percent are exempt on health grounds, 8.5 percent are exempt for family or other reasons, and 4.4 percent are serving time in jail or are under investigation.

I think that readers now realize that, when it comes to granting draft deferrals and exemptions from military service, legislators permitted an obvious imbalance two years ago, the results of which are having a ruinous effect on the manning of the state's military structures and on their combat capability.

For the last 18 months we have repeatedly made concrete proposals regarding the manning of the troops and naval forces, but this matter has regrettably not been resolved. It was only 24 March and 7 April this year that the State Duma finally adopted two federal laws designed to somewhat improve the manning of the Armed Forces and other troops.... The Russian presidential edict enacting one of them proved very timely.

[Falichev] The Army's authority and prestige largely depend on the state's social policy toward it. As you know, the Army has kept out of privatization, and now servicemen are a long way from the midpoint on the social scale. And Army officers are in an even worse position compared with their colleagues in other power structures. What is your opinion today of the legal support for the organizational development of the Armed Forces and social guarantees for servicemen?

[Kolesnikov] The Army's authority and prestige depend on many factors. But, in my view, the main one is indeed the state's attitude to those whose job it is to ensure the reliable defense of its sovereignty and territorial integrity and, accordingly, society's ability to maintain

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the Army in accordance with its objective requirements. What has been achieved in this sphere?

First, a "military" package of laws "On Defense," "On Military Service Obligation and Military Service," "On the Status of Servicemen," and pension legislation have been adopted. However, one should not, strictly speaking, now be talking about how they "operate." You will agree that any law adopted by the state must be implemented. And if that is not the case, doubts willy-nilly begin to emerge as to the effectiveness of these laws and dissatisfaction and recriminations spring up with regard to the authority structures.

The lack of a well-honed mechanism to implement all the norms of the "military" laws along with state economic and financial support for them gives rise to a legal vacuum, which in a number of cases has an adverse effect on the qualitative resolution of the Armed Forces' tasks. The government and the Defense Ministry cannot be said to be doing nothing to rectify the situation, but the current objective difficulties have so far proved beyond us. Nevertheless some matters are nonetheless being resolved in practice.

As you know, by government decision servicemen's pay has been indexed on three occasions between January 1994 and April 1995. In this period it has been increased by a factor of 4.5. At first glance you would have thought that these were impressive figures. But at the current rate of inflation neither indexation nor an increase in pay has alleviated the acuteness of the problem. As a result the prescribed norms of servicemen's pay at present do not fully ensure an adequate standard of living for Russian servicemen and their families. After all, according to legislation servicemen are not entitled to combine military service with other paid work, and members of their families are in most cases unable to find jobs owing to the special features of the troops' location and the situation that has developed recently in the jobs market.

At the same time wages are rising faster in industrial sectors and commercial structures than in the budget-funded sphere. For instance, whereas servicemen's total monthly pay after the 1.3-fold increase in pay 1 April this year on average ranges between R20,000 for drafted servicemen and R540,000 for officers in the tactical echelon, according to State Committee for Statistics figures, the average monthly wages of workers in the fuel industry, power generation industry, and transport sector back in January 1995 were R740,900, R666,400, and R504,800 respectively....

And if we look at the wages paid to servicemen in the various power structures, their pay is considerably higher than that in the Armed Forces. This social injustice causes extreme concern among the Defense Ministry leadership and elicits total incomprehension (I would even say indignation) from the personnel of the commands and units.

At present the requisite package of documents to even out the level of Defense Ministry servicemen's material support with that of other power ministries and departments is with government organs, and it is hoped that our proposals will be accepted.

[Falichev] One last question, Mikhail Petrovich. In your view, with whom will the Army side in the coming elections?

[Kolesnikov] Unlike the past, today elections are contested. Various parties and movements — and there are an extremely large number of them — are nominating candidates. So far the Central Electoral Commission has registered 197 electoral associations and another 10 are in the process of being registered. It will be hard for our voters, including the military, to grasp the position espoused by each one of them. The choice of whom to give priority will be a hard one.

We can only assume that servicemen's sympathies will be with those candidates for whom statewide interests, the interests of strengthening the country's defense capability, and the organizational development of the Armed Forces, along with, needless to say, the resolution of other highly important problems are a priority.

Awareness of the full complexity of the problems facing our country and the need in this connection for concrete daily work will evidently be the basis that will predetermine the well-considered nature of military voters' decisions and will prevent them following demagogues and "supporters" of simple, fast solutions.

Almaz Design Bureau's Financial Plight Detailed

MM1005080795 Moscow PRAVDA in Russian 6 May 95 p 2

[Article by Ivan Boltovskiy: "Antiaircraft Gunners Earn Their Living by Painting on Wood. Post-Reform Daily Life of the Once Secret 'Almaz' Design Bureau"]

[FBIS Translated Excerpt] [passage omitted] The "Almaz" Central Design Bureau is one of those institutions which in Soviet times were shrouded in a dense fog of secrecy. The holy of holies of the country's air defenses seldom revealed itself. And then only to initiates. For example, when our antiaircraft gunners downed the U.S. U-2 spy plane piloted by Powers in 1960, few people knew that the chief credit for this belonged to "Almaz." The United States, which had come to believe in its own

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technical superiority, was shaken by what happened at that time.

It also had a shock two years ago at the arms exhibition in Abu Dhabi. Demonstrating its accuracy of fire, the S-300 PMU antiaircraft missile system did not just hit the target but literally made matchwood of it. A direct hit on the "bull's eye" is an extremely great rarity for this kind of weapon. When the Russian defense industry suggested to the Americans a contest with the Patriot, their ABM favorite, they had the strength only to modestly decline.

To this day the S-300 is an unsurpassed weapon. But its creators have long been regarded no longer as kings or as the elite of the "sovereign's people." The state has abandoned them along with their science and technology to the mercy of fate, and they are waging a desperate but so far unsuccessful struggle for survival, as though putting into practice the guiding principle of the "new Russians" who have come into the Kremlin: Whoever works does not eat. Less than one-half of the central design bureau's more than 12,000 staffers are left. The wage of the leading developers is approximately 160,000 rubles. Clearly, the music in Bauklotz [German store in same building as "Almaz"] is playing not for them. Many have been sent on leave without pay and are trading in potatoes and consumer goods. Those who are a bit more dexterous use laser beams to draw patterns on boards and feed themselves by means of this craft.

The enterprise had an experimental production facility of priceless importance. An entire plant which employed 3,000 machine operators! Now this subdivision hardly exists. In a month of Sundays you would not find the printed circuit boards that used to be made there. But without them nothing can be made.

The element which is destroying the central design bureau has a terrestrial origin and is, of course, called the reform. On its commencement the scientific collective, one of the leading ones in the country's military-industrial complex, was broken up into 30 state and small enterprises. Obviously, the leadership hoped that in this way, in small fragments, it would be possible to keep afloat.

"But this straw of salvation soon snapped," Valeriy Vasilyevich Smurov, chief of a central design bureau section, said. "Far from everyone managed to survive. Then the State Committee for the Management of State Property lassoed us and dragged us into privatization.... At first the central design bureau was on the list of untouchable defense enterprises. But then it was switched to the category of small stores and, despite stubborn resistance from the collective, it was, by hook or by crook, dropped from the state cart at the beginning of this year."

The central design bureau's present orphanlike existence is best reflected in the arithmetic of its funding. Last year the developers asked for several tens of billions of rubles for the program of the very latest antiaircraft missile system but received just one-fourth of what was required. And half of that amount was in treasury bond papers! The papers had to be sold to a commercial bank, which gave out cash after first pocketing approximately 30 percent of the amount due to the technicians.

Not a single kopek has been received for the current year. The designers live on hope. It is pinned on the government decree "On Measures To Stabilize the Economic Position of Defense Complex Enterprises and Organizations," published at the end of 1994. They particularly liked the draft concept for state regulation of the defense industry, which came into being in the Ministry of the Economy. The point is that it gives the central design bureau the chance of being transformed into the State Science and Production Center.

"If we proceed from Russia's interests, this would really be the best option," Valeriy Vasilyevich believes. He has faithfully served the motherland's defense for over 30 years and is accustomed to thinking in a statesmanlike way. Now that the reform has washed young people out of the collective, it is mainly middle-aged people with sound education who are left in the central design bureau. They cannot grasp the fact that any other decision could be adopted. Hence the optimism to which they cling.

The collective of developers of the "Almaz" Central Design Bureau is still perfectly capable. The backbone is still preserved there and is capable of exercising manufacturer's servicing of weapons at a combat post, as well as carrying out technical and organizational management of the complex collaboration among scientists, production workers, and air defense units.

But time is passing, and its passing is not reflected in the best way in the structure of the country's air defenses, which are in need of timely and qualitative servicing and updating. Having finished off the aforementioned decree, the government's hand has, as it were, turned to stone. Unless emergency measures follow now to rescue "Almaz," the irreversible process of its disintegration could begin. If this happens, then we shall have to start making active use of chevaux-de-frise, the world-famous design bureau's developers joke mirthlessly.

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Designers Want Nuclear Sub Raised From Seabed

MM0905111295 Moscow Russian Public Television First Channel Network in Russian 0500 GMT 28 Apr 95

[From the "Novosti" newscast: Video report from St. Petersburg by Sergey Dukhavin, identified by caption]

[FBIS Translated Text] [Dukhavin over surface shots of Typhoon-class submarine] You are looking at unique footage. This is the world's biggest Russian Typhoon-class missile-carrying submarine. It was designed at the St. Petersburg Rubin Central Design Bureau of Marine Technology, which has designed around 900 submarines since the beginning of the century. At different times and to varying degrees they all served as the country's reliable defense shield, and in times of war as a punishing sword. Such as for example the legendary S-13 submarine under Marinescu's command.

The ill-fated Komsomolets submarine was also designed here down to the last nut and bolt. There is no time here to go into the causes of the accident. However, the designers, and in particular senior designer Viktor Pavlovich Semenov, are convinced that the Komsomolets must be brought to the surface. And not just to establish the cause of the accident, although that too is important and would render our submarine fleet safer for decades to come. The problem is that thousands of ships, both military and civilian, are littering the seabed. There are also quite a few nuclear reactors. By developing a powerful hoisting system in cooperation with leading countries we would protect our environment from pollution. For this, you will agree, no expense should be spared. [video shows Typhoon submarine at sea, Rubin designers at work in front of VDU's and drawing boards, D-2 submarine on a pedestal, interior of unspecified submarine, underwater shots of Komsomolets, submersible on the surface]

Minister's Role in Uranium Smuggling Affair Denied

LD1005093695 Moscow Radiostantsiya Ekho Moskvy in Russian 0800 GMT 10 May 95

[FBIS Translated Excerpt] The scandal in connection with the contraband of plutonium from Russia to Germany in August last year is flaring up again. Germany's STERN magazine has information that Viktor Sidorenko, deputy minister of Russia's Ministry of Atomic Energy, is involved in the contraband of this radioactive material. [passage omitted]

According to Dmitriy Pogorzhelskiy, a correspondent of the SEGODNYA newspaper in Bonn, it was Sidorenko who was to fly out to Berlin in the same aircraft as the smugglers. [passage omitted]

The Russian Foreign Ministry has refused our correspondent any comment on the situation that has come about. It just said that the issue was within the competence of the Russian Ministry of Atomic Energy. As for the ministry, its top officials believe that the STERN publication is a provocation of the first order. Ministry spokesman Georgiy Kaurov told Ekho Moskvy radio that the magazine should be more accurate.

[Begin Kaurov recording] Accusations against the deputy minister of the Ministry of Atomic Energy are absolutely groundless. Sidorenko was invited to visit Germany by Bavarian Environment Minister Thomas Goppel, and on 11 [month not heard] he gave a news conference there, in Germany. This was the aim of his visit to Germany. The invitation was issued beforehand and we have this document in our records. Sidorenko was invited to leave the aircraft separately from other passengers. He was then escorted to a car that was specially sent out for him and taken to the news conference. Viktor Alekseyevich [Sidorenko] was not in touch with any one of those people who were in some kind of contact with those swindlers in the aircraft. [end recording] [passage omitted]

Nuclear Materials Security System Developed

MM0905113295 Moscow ROSSIYSKAYA GAZETA in Russian 6 May 95 p 7

[Article by Andrey Kirillov: "Bullet-Proof Waistcoat as Protection Against Radiation"]

[FBIS Translated Text] A new system for monitoring and recording nuclear materials has been developed at the Russian Federal Nuclear Center on the basis of Russian and U.S. equipment. At the end of the year it should be installed at a secret establishment in Arzamas-16.

An operating analogue of this system has been created at the Russian Federation Ministry for Nuclear Power so that I had the opportunity to put myself in the role of a criminal who had penetrated to the most secret establishment at Arzamas-16. The first feeling in my opinion was approximately the same as the feeling Shtirlits under Myuller's lampshade. I appeared simultaneously in different focuses on several monitor screens. But as later emerged that is only the visible part of all conceivable and inconceivable subtleties designed to ensure the 100 percent safekeeping of nuclear materials and to rule out the most insignificant opportunity of the leakage of information about them and to ensure the automated inventory and control of the containers which are stored.

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The "brains" of the new system are Russian. More simply, all software has been produced by Russian scientists and the Americans have provided their hardware. The idea is simple: to ensure the constant and reliable monitoring of fissionable materials throughout the entire process of work with them either at an enterprise as a whole or at an individual shop. And the unique equipment is fully suited for use at other — not necessarily nuclear — establishments: in banks, offices, hotels, parking lots, and apartments.

There is no point in going into the details of the system. I can merely attest that it can screen "aliens" even by the configuration of their palms thus ruling out the possibility of any outsider gaining access to the establishment. How? Information about the system for the physical protection of nuclear establishments is top secret. That is why the situations in which an alarm signal lights up on the monitors are not rehearsed on the test unit — it was being demonstrated to foreign colleagues, to whom we are also in no hurry to reveal Russian potential.

But one reason for accelerating the new development was the series of scandals both with the case of the Russian plutonium exported to Germany and with the theft of radioactive materials at a Northern Russian naval base. Fortunately all these cases ended or are ending satisfactorily but the anxiety remains. So that god takes care of those who take care of themselves. And it is even better when the role of the Almighty is taken by such systems which, experienced exports believe, are also entirely suitable for use for civilian commercial purposes. You will agree that this path onto the market is more acceptable to the nuclear scientists. Since the use of their subject for earning money directly is not acceptable, to put it mildly. As they joke today, whereas at a weaving factory or an automobile plant wages can be paid in finished output, at Arzamas-16 that is hardly possible. Yet there are problems with wages. Incidentally, for your information: a candidate of sciences in charge of a laboratory at the institute of experimental physics receives 335,000 rubles a month plus 70 percent for his science degree and the secrecy involved. More than modest, is it not?

Federal Assembly

State Duma Demands End to Yugoslavia Sanctions

MM1005092795 Moscow ROSSIYSKAYA GAZETA in Russian 5 May 95 First Edition p 5

[State Duma Decree No. 695-1 SD "On Lifting Economic Sanctions and Restoring Full-Scale Cooperation with the Federal Republic of Yugoslavia," dated 14 April 1995, Moscow, and signed by I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma: "Why Damage Russia?"]

[FBIS Translated Text] Attaching great importance to strengthening traditional relations of friendship and cooperation between the Russian Federation and Federal Republic of Yugoslavia, based on age-old links between the peoples of Russia and Yugoslavia,

acting on the basis of the need to step up the efforts of the Russian Federation and world community to achieve a peaceful settlement of the conflict in the Balkans and end the civilian population's senseless suffering,

recording the fact that the Federal Republic of Yugoslavia has met the demands of the UN Security Council resolutions, in particular Resolutions 757 of 30 May 1992, 787 of 18 November 1982, and 820 of 17 April 1993, supported the proposals made earlier by the Contact Group on Bosnia and Herzegovina, and is not directly involved in the conflict in the Balkans and that there is no reason at present for retaining the economic sanctions,

expressing the opinion that the implementation of economic sanctions against the Federal Republic of Yugoslavia is having an adverse effect on the living standards of the country's population,

and noting that the sanctions against the Federal Republic of Yugoslavia, imposed on the West's initiative, have caused considerable economic damage to the Russian Federation and that a UN lifting of sanctions would make it possible to resume and implement full-scale political, economic, and cultural cooperation in both countries' interests,

the Russian Federation Federal Assembly State Duma rules that:

1. The Russian Federation president and Russian Federation government are instructed to take effective steps to galvanize the efforts of the Russian Federation's representatives in the UN Security Council and the Contact Group on Bosnia and Herzegovina on the lifting of the economic sanctions against the Federal Republic of Yugoslavia and also on the restoration of the Federal Republic of Yugoslavia's full status in the United Nations and other international organizations.

2. The Russian Federation government is recommended in the future, on a notification basis, to supply gas and increase supplies of humanitarian goods to the Federal Republic of Yugoslavia and focus the efforts of the Intergovernmental Commission on Trade-Economic and Scientific-Technical Cooperation between the Russian Federation and Federal Republic of Yugoslavia on

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studying specific questions of the restoration of full-scale cooperation between the Russian Federation and Federal Republic of Yugoslavia after the lifting of sanctions.

3. The Russian Federation government is instructed to take extra steps to strengthen the legal treaty basis of Russian-Yugoslav relations, including cooperation between the two countries' regions. It is to support, in particular, the proposal by the Krasnodar Kray Legislative Assembly and Krasnodar Kray administration on concluding an intergovernmental agreement on the development of regional cooperation between Krasnodar Kray in the Russian Federation and Vojvodina Autonomous Region in the Republic of Serbia, and also to help conclude similar intergovernmental agreements on cooperation between components of the Russian Federation and state and administrative entities in the Federal Republic of Yugoslavia.

4. The further development of interparliamentary cooperation between the Russian Federation Federal Assembly and Federal Republic of Yugoslavia Federal Assembly is deemed advisable. An official visit to the Federal Republic of Yugoslavia by a Russian Federation Federal Assembly State Duma delegation, headed by the chairman of the Russian Federation Federal Assembly State Duma, is to take place in May-June 1995 in accordance with an existing invitation.

[Signed] I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma

Moscow, 14 April 1995

Upper Chamber Holds Debate on Election Laws

MM0905153595 Moscow ROSSIYSKIYE VESTI in Russian 6 May 95 p 3

[Report by Aleksandra Lugovskaya: "Senators Do Not Want Elections From Party Lists"]

[FBIS Translated Text] The 4 May vote by the Federation Council on two key election laws — on the election of the president and State Duma deputies — has confirmed the fears that the gulf between the chambers of parliament is becoming unbridgeable and that the actual situation is going beyond the framework of "acceptable" political internecine strife. Having successfully adopted the first law, the senators flatly rejected the second with a Bolshevik categorical approach. There is no doubt that the State Duma, which for a second time had been "turned away at the door" in trying to overcome the Federation Council "veto," will put the law in the president's in-tray.

It is obvious that this tough stance taken by the upper chamber, which does not want to put 225 seats instead of the 150 proposed by the president into the hands of "party deputies," can in no way be attributed to party reasons: The State Duma gave its first reading to a draft law envisaging not the formation but the direct election of the Federation Council itself. Which will ultimately lead to the replacement of the regional elites.

It is revealing that the Federation Council Committee for Questions of Constitutional Legislation, when submitting the law on State Duma elections to its chamber for consideration, came to a unanimous conclusion — to support the State Duma, retaining in it the previous ratio of deputies' seats: 225 from the federal party list and the same number from single-seat districts. When addressing the senators Yelena Mizulina, who has worked in the conciliation commission of both chambers, explained the decision by saying that the "ratio question" is not a legal but a political question, stemming from the real disposition of political forces and the need to harmonize interests.. According to her, reproaches that the State Duma will again be inhabited by "metropolitan parties" whose influence is confined to the limits of the Moscow Garden Ring are groundless, since the draft law "On Political Parties" which has already been given its second reading by the State Duma is introducing strict norms on the status of an all-Russia party, the number of regional branches, and the number of "party members," as well as a 70-percent quota of representatives from the regions when the party list of participants in the election campaign is submitted.

Mizulina stressed that a failure to adopt her wording of the law on State Duma elections would generally lead to the wrecking of any chances of holding the elections within the constitutional deadline — no later than December 1995. Moreover, in her opinion a postponement of the elections "is no different from the execution of parliament," while the elections themselves must not become a sword of Damocles over the president and Federal Assembly. Isa Kostoyev, chairman of the Senate Committee for Constitutional Legislation, supported his colleague because he believes that "these are troubled times" and that nobody knows how everything will turn out if the Federation Council elections are wrecked.

But Chamber Chairman Vladimir Shumeyko, observing in response to this that "you think that December is suitable and elections are needed but the quality of the law itself does not matter," held a vote, later stating that, apart from members of the Committee for Constitutional Legislation, the law would be rejected by the remaining deputies.

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There is little point in counting on the fact that the political confrontation between the chambers that has arisen in the electoral sphere will die down on its own, without the president's intervention.

However, it cannot be ruled out that a settlement will be made according to the rather unexpected scenario proposed by Karelian Head of Government Viktor Stepanov: Insofar as the question of the "party" proportion in the State Duma is a constitutional one and directly relates to state administration, he proposes putting forward the initiative that the president convene a Constitutional Conference in which all Federation components will participate.

But the deep-seated reason for the situation into which entire strata of society as well as the parliamentary chambers will be drawn was pinpointed more accurately than anybody by Senator Yuriy Boldyrev, elected in December 1993 from the "Yabloko" bloc. In his opinion, elections from a federal party list must not be viewed in isolation from state administration as a whole. It is nonsense that no provision has been made for a stable party majority in the Russian State Duma, and the way out of this situation is to make the necessary amendments to the Constitution. Otherwise there is really no point in elections from party lists.

Stop Press

The situation that has developed regarding the adoption of the laws on the State Duma and Russian Federation presidential elections and on the formation of the Federation Council was broached during a conversation at yesterday's meeting between Russian Federation President Boris Yeltsin and Federation Council Chairman Vladimir Shumeyko. The Russian Federation President's Press Service reported that they discussed the problem of conciliation procedures regarding the law on State Duma elections in connection with its second rejection by the Federation Council and the president's concern about this.

Official Urges Adoption of Law on Lobbying

MM1005085295 Moscow ROSSIYSKIYE VESTI in Russian 6 May 95 p 5

[Report by Dmitriy Orlov under the "Legal Monitoring" rubric: "Soviet Lobbying Is Alive"]

[FBIS Translated Text] Sooner or later a law on lobbying will have to be passed since between one-third and one-half of budget revenue is being lost because lobbyists live a free-and-easy life in Russia, Vladimir Lepekhin, deputy chairman of the Committee for the Affairs of Public Associations and Religious Organizations, believes.

In his opinion, of the three existing channels whereby society can put pressure on the authorities — via representation in parliament, via political parties and public movements, and finally by "buttonholing" officials and deputies in lobbies — the third source of pressure is the most widespread. Essentially Soviet lobbying (sector "fixers") has not just remained untouched, it has become more powerful and dangerous.

The methods used by lobbyists of all ranks and levels are frankly not under society's control, the deputy stressed. That is why it is so hard to tell what specifically lies behind the adoption of a particular decision. That is why privileges and subsidies are allocated practically arbitrarily. When we talk of civilized lobbying we mean above all the openness of this process and competition. For instance, the decision to allocate a preferential credit which has been properly justified should be made not by a some sector minister but by a specially formed expert council. Whereas now between one-third and one-half of the country's budget is being lost because of uncontrolled privileges, subsidies, and subventions. These are losses which do not have a rational justification. Soon there will not be enough money for the formation and support of the mass media.

Registration, which is envisaged by the law on lobbying activity, is not just a technical procedure. It will "start up" the mechanism for stimulating the civilized representation of interests: Registered lobbyists will be forced to devise ways of protecting themselves from their not overly conscientious colleagues, and publication of their financial accounts will reduce to a minimum the problem of determining who is "pushing" whose interests.

Who does not stand to benefit from a law on lobbying? Many people. Above all the criminal fraternity, because what is secret will come out into the open. Plus representatives of the executive branch who derive certain benefit from faithful directors' "sweeteners." But there is also growing realization of the need to regulate lobbying activity — by both the authorities and the few civilized organizations — in representing interests, above all of trade unions and some entrepreneurs.

Judging from the deputies' moods the draft law's future is unpredictable. In the near future, at any rate. But sooner or later it will have to be adopted as the cornerstone of the system of legislation on lobbying. I am sure that in about 10-15 years public and power structures will have learned to collaborate openly and constructively, not without help from these legislative acts.

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Economic Issues

Panskov Report on Jan-Mar 1995 Budget Status

MM1005081595 Moscow ROSSIYSKAYA GAZETA in Russian 7 May 95 pp 1, 5

["The Budget: Income and Expenditure. Report by Finance Minister Vladimir Panskov at Russian Government Session on the Results of Implementation of the Budget in the First Quarter of 1995" — report delivered 4 May]

[FBIS Translated Text] The implementation of the budget thus far in 1995 has taken place in conditions of a relative improvement in the main macroeconomic indicators. The decline in GDP in January-March was 5 percent, as against 17 percent in the first quarter of 1994. Production of industrial output was down 4.5 percent, as against 23 percent in the first quarter of 1994. The recession has become manifestly structural in nature.

The rate of increase in inflation, after peaking in January, began to fall. Whereas in January the aggregate consumer price index was 17.8 percent, in February it had fallen to 11 percent, in March to 8.9 percent, and in April it was 8.5 percent. The implementation of a tough monetary policy from the beginning of 1995 is creating the preconditions for a further substantial reduction in inflation in the coming months.

At the same time it must be observed that the fall in the level of inflation in the country is taking place considerably more slowly than the government program envisaged. This is largely connected with the persistence of inflationary expectations in society, and therefore the observed trend toward financial stabilization and strengthening of the ruble is an exceptionally important factor.

Despite strong attacks on the ruble on the currency exchange in January 1995, the country's currency reserves increased in the first quarter, and the increase in the positive balance in the balance of trade with states of the "far abroad" continued. By the end of the quarter a reduction in demand for convertible currency had begun to be perceived, and the supply of dollars on the currency exchange had increased. We are today in a situation where interest rates on ruble deposits in the country's main banks are again beginning to produce a real income for their holders, and the profitability of ruble deposits is becoming higher than for deposits and savings in foreign currency.

Additional Revenue Boosted Income

The fact that the economic climate is generally favorable for the budget was confirmed by the adoption of the Law on the Federal Budget at the beginning of the budget period. As a result both the social sphere and the national economic complex received clearer budget guidelines than in previous years.

In total, the federal budget was implemented in the first quarter of this year at 32.1 trillion rubles [R] income and R39.7 trillion expenditure, and the deficit was R7.6 trillion, or 3.3 percent of GDP (the level of the budget deficit for 1995 is 5 percent of GDP, given an adjusted nominal volume of GDP of R1,450 trillion).

The federal budget deficit was funded by means of income from transactions with securities — R6.4 trillion, of which R3.3 trillion was in the form of state short-term bonds and R3.1 trillion in treasury bonds; and Central Bank credit to cover the cash gap — R3.5 trillion. Payments to extinguish the foreign debt exceeded the credits received by R1.9 trillion.

The rejection — enshrined in budget laws — or minimal use of such inflationary sources of funding the budget deficit as credits from the Central Bank of the Russian Federation and the use of its profits, the difficulties that have arisen as regards receiving funds from foreign sources in time, and the limited role of treasury bonds as an instrument of budget funding predetermined the increasing role and significance of tax payments and internal nontax income in the process of budget implementation.

On the income side, the federal budget was implemented in the first quarter of this year at 103.3 percent of the predicted level.

Additional revenue was obtained mainly through nontax payments (R3.4 trillion, or 2.1 times the forecast), such as income from centralized exports under contracts implemented at the end of 1994 (R1.6 trillion), exchange-rate variation (R1.0 trillion), and the realization of state reserves (R0.6 trillion).

At the same time, tax payments showed a shortfall of R3 trillion (88.6 percent of the forecast), mainly due to underpayment into the budget of taxes paid by taxpayers but not received into the budget, in the sum of R2 trillion; and nonreceipt of export-import duties — R1.7 trillion, and of income tax on individuals — R0.6 trillion [figures as published].

It should be noted that on the traditional major taxes such as value-added tax [VAT], tax on profits, and special tax, the forecast was vindicated.

The treasury's own income could have been considerably higher if the federal legislative and executive authorities had in good time — before the beginning of the budget year — adopted and ensured the implementation of practical measures to mobilize sources of income

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taken into account in the federal budget. This refers primarily to the abolition of various kinds of concessions, the establishment of new tax rates, and changes in the procedure for their payment into the budget.

An analysis of income received in the first quarter indicates the slow progress by ministries, including the Finance Ministry, in work to mobilize financial resources. As a result we lost huge sums in the first quarter, and these losses cannot be permitted in future.

As in previous years, despite the commencement of a new stage in privatization, the receipt of income into the budget lags disastrously behind the privatization and sale of blocks of shares in enterprises belonging to the state (against a forecast of R8.8 trillion for 1995, only R0.05 trillion was actually received in the first quarter). This all requires the Goskomimushchestvo [State Committee for the Management of State Committee] to adopt urgent measures to increase the budget return from the privatization process, up to and including the setting of targets for each territory as regards ensuring income.

The shortfall in payment of taxes on foreign economic activity into the federal budget as compared to budget projections (R1.7 trillion) might have been less significant if the period of the abolition of concessions on import transactions had corresponded to the time frame adopted in calculating this budget income; the same situation will persist throughout the second quarter of this year. Thus the decisions made on abolishing concessions will only take effect fully in the third and fourth quarters of 1995.

By way of measures to make up for lost income from foreign economic activity, the Finance Ministry has formulated a package of measures to provide for the additional mobilization of resources by means of freezing export duty rates until the end of the year and suspending the practice of reducing export duties on oil. It is desirable to accelerate the signing of a government decree rescinding the acts stipulating concessions to individual participants in foreign economic activity in the context of the implementation of import operations and the imposition of new rates for import customs duties, which according to expert assessments will produce an additional R2 trillion provided that the said decisions are introduced from 1 July this year.

The nonfulfillment of projections for excise revenues testifies to the excessively low level of taxation of hydrocarbon raw materials, and calls for the imposition of a balanced excise rate on coal at the level of R39,200 per tonne. All oil-extraction enterprises should be included among the payers. Because of the prolonged process of coordination with the Ministry of Fuel and Energy, the decisionmaking process has been dragged out. The government now has the materials, and the adoption of a corresponding decree must be accelerated.

The president's signing the Law "On Amendments and Additions to the Russian Federation Law 'On Value-Added Tax,'" which stipulates a narrowing of the commodity groups covered by the reduced VAT rate, will strengthen the position of VAT as a basic source of finance for the income section of the federal budget. For now, however, in the first quarter of the current year, because of the delay in the legislator's adoption of the said draft law although it was submitted by the Russian Federation Government in good time, the shortfall in VAT paid into the federal budget totaled R0.5 trillion.

The delay in formalizing in legislation the centralization of the 10-percent quota of income tax on individuals led to the loss of R0.6 trillion from federal budget income. In accordance with instructions issued to the localities, the main sums of this tax began to arrive from April 1995.

The belated preparation and late adoption of the government decree on the procedure for licensing the production, distribution, and wholesale sale of wine and vodka products led to the loss of R0.5 trillion in the first quarter.

Thus the aforementioned circumstances led to a reduction in federal budget income of R3.0 trillion against the forecasts.

The favorable general economic trends that have been observed affected the reduction in the rate of increase in arrears compared with the same period last year. In the first quarter of this year fiscal organs stepped up efforts to mobilize the receipt of income into budgets at all levels. Whereas in the first three months of 1994 the taxpayers' debt to the federal budget increased fourfold, in 1995 the increase was only 37 percent, although it still increased by R3.5 trillion, totaling R12.9 trillion on 1 April.

As an effective means of extinguishing the mutual debt between economic entities and the federal budget and unraveling payment defaults in the national economy, the Finance Ministry has made use of treasury tax exemptions to cover arrears.

Albeit to a lesser extent, the use of treasury bonds to unravel defaults continued. These and other practical steps within the framework of the work of the Government Commission on Defaults will make it possible to alleviate the crisis that arose in 1994. The creditor debt increased by 21.8 percent, and totaled R152 trillion on 1 March.

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In the strained situation that has arisen as regards the receipt of taxes, the Finance Ministry and the Russian State Taxation Service are adopting the necessary measures to ensure the mobilization of tax payments stipulated in the budget for 1995 and make good the tax sums that failed to arrive in January-March of this year. In the first quarter, tax organs conducted documentary checks on 332,000 corporations and 1 million individuals. As a result of the checks, an additional R6.3 trillion was paid in.

In the first quarter of this year, treasury organs locally conducted more than 4,500 checks into questions of the timely implementation by banks of taxpayers' instructions for payments to be made into the federal budget, as a result of which they established 48,000 instances of banks violating the established procedure and time frame for the completion of such transactions, relating to a total sum of R225 billion, for which fines totaling R12.4 billion were imposed. The continuous monitoring system organized by the treasury has led to a marked reduction in the number of such cases.

Apart from the funds paid into the federal budget in the form of tax and nontax income, the financing of budget expenditure took place on the basis of borrowing to fund the deficit.

While the budget's own sources of income were fully mobilized, in the case of sources for funding the deficit there was a serious hitch in the first quarter of this year. This ultimately led to the underfunding of expenditure.

As a result of negotiations with the IMF concerning the granting of reserve credit to Russia, the date for the receipt of such credit was put back (by approximately one quarter) compared to the dates previously allowed for in the Law on the Federal Budget. Thus, the lost sources totaled on the order of R7 trillion.

Nor was the Central Bank credit issued to the government to temporarily cover the cash gap received in full. R1.5 trillion was unfunded for this reason.

The nonreceipt of the Central Bank's credit, as well as its profits, was associated with the urgent need to supplement the Central Bank's currency reserves. For the second quarter, a restructuring of government debts to the Central Bank was carried out in partial compensation for the sources unreceived under the law, and this will reduce budget expenditure in the second quarter.

Reserve — Securities

In February-March of this year there was a marked reduction in the use of treasury bonds as a method of covering the budget deficit. The Russian Finance Ministry fulfilled the decisions of the commission on financial and credit monetary policy, as well as IMF recommendations, since this source was deemed to be inflationary. Losses totaled R0.9 trillion.

Thus the lost sources totaled R9.5 trillion.

One reserve that could partially fill the "hole" that has developed in the budget could be the fuller utilization of potential for obtaining income from transactions involving state securities.

In accordance with the ratified Russian Federation Law "On the Federal Budget for 1995," it is stipulated that sources of internal funding of the budget deficit include income from the emission of state securities totaling R32 trillion, which is 2.7 times more than the figure for last year's results.

In this connection the most important task for the Russian Federation Finance Ministry is to structure emissions of various forms of state securities that are appropriate to the changing situation on the money market and meet the interests of different investors, including the public.

Despite the anticipated financial stabilization, in 1995 the stock market will continue to be subject to considerable influence from inflation, and also a certain distrust felt by the investor toward the ruble, which can be overcome by, among other things, an active policy on the financial market. However, in the 1995 conditions short-term state bonds will continue to play the most substantial role both as regards volume and as regards the degree of influence on the monetary situation in the country.

In 1995 as a whole it is proposed to obtain an income from the state short-term bonds market on the order of R20 trillion; at the same time the short-term debt will gradually change its structure in favor of an increased proportion of six-month and annual bonds.

In the first four months of this year income from the emission of state short-term bonds totaled R5.4 trillion, in the context of a general reduction in [interest] rates, which makes it possible to anticipate the fulfillment of the plans in this respect given adequate political and economic stability.

At the same time, in order to maintain the reliability of this source, the Russian Federation Finance Ministry needs constant assistance from the Central Bank of the Russian Federation — the general agent on the state short-term bonds market. The resolution by the Central Bank of the Russian Federation of the two most pressing problems: bringing regional sites on stream, and giving nonresidents access to the market — will, in

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the Russian finance minister's opinion, be an important step in developing the state debt market. It is important that the said measures be adopted in May of this year, in view of the fact that in the first half of this year the still high level of inflation will not allow us to embark on a program of medium-term borrowing.

An important matter in resolving the problem of sources to the tune of R12 trillion is the issuing of medium-term state loans. The Russian Federation Finance Ministry, in coordination with the Bank of Russia, has submitted to the Russian Federation Government a draft decree "On General Terms for the Issuing and Circulation of Federal Loan Bonds" and on particular aspects of the issuing of securities denominated in gold.

With a view to implementing the borrowing program, the said documents should be adopted in May of this year. The creation of the infrastructure for the placing of federal loan bonds is virtually complete.

Nondesignated Use of Funds

The nonreceipt of sources in the first quarter of this year led to the failure to ensure funding of federal budget expenditure on the planned scale.

Nonetheless, in general, in the implementation of the expenditure section of the federal budget, something in the way of positive progress has been achieved. Compared with the corresponding period last year, it was funded to the extent of 82 percent of budget appropriations, as against 76 percent in the previous year. This was achieved largely thanks to the more realistic forecasting of income.

In the process of implementation the federal budget retained its social orientation — the implementation of the social expenditure package improved in comparison with the first quarter of 1994.

The proportion of expenditure on sociocultural measures was 7.3 percent in the first quarter of this year, as against 5.8 percent in the first quarter of the previous year. Protected items were funded in full. I have to report that as of today, with regard to educational, health, cultural, and social protection institutions, we have no debt as regards wages and students' stipends. Unfortunately, in a number of regions, because of the unsatisfactory implementation of their budgets and the exercise of nonpriority expenditure by the local authorities, such a debt has been allowed to occur in relation to institutions under the jurisdiction of Russian Federation components (the republics of Buryatia, Udmurtia, Mordovia, and Kalmykia, Altay and Krasnoyarsk Krays, and Amur and Chita Oblasts). The federal organs are preparing proposals for their financial support.

While experiencing an acute shortage of financial resources, federal ministries and departments in the social sphere and education are nonetheless not taking serious measures to impose order in the network of social institutions and scientific organizations under their jurisdiction, as is indicated, in particular, by the low level of utilization of the network of children's preschool and medical institutions, the reduction in the filling of places in classes at vocational and technical schools and in the student contingent, the below-norm load on medical personnel, the empty places in hospital wards, and the increasing underutilization of the results of scientific and technical activity. All this indicates that work by the Ministry of Education, the Goskomvuz [State Committee for Higher Education], Ministry of Health, and Ministry of Social Protection to ensure the rational and efficient expenditure of allocated funds requires further improvement.

The structural reorganization of vocational education is taking place only slowly. The Russian Goskomvuz, in violation of Russian Federation legislation, is continuing to admit foreign students to first-year studies on the basis of federal budget funds. The contract system of student education is not being introduced on a sufficient scale. State organizations are suffering a shortage of specialists. Yet at the same time we are continuing to give students free training for commercial bodies.

The Russian Federation Government Decree of 2 July 1994 "On Measures To Provide Educational Institutions With Educational Literature" instructed the Russian Ministry of Education, in conjunction with the Russian Federation Committee for the Press, to formulate a strategy for the transition to regional financing of programs for the publication and distribution of textbooks, and also a mechanism for the transition to the free sale of school books. However, the Russian Ministry of Education is not doing the necessary work in this direction with the regions of Russia, as a result of which the Russian Finance Ministry, in order to prevent disruption of the educational process in 1995-1996, is again forced to grant a budget loan for the publication and delivery of school books. In 1995 it is planned to channel R160 billion into this, of which R20 billion has already been issued.

In the context of limited financial resources, the relevant ministries and departments have slackened their monitoring of the use of budget funds.

Checks carried out by organs in the financial system at every second budget-funded institution and organization in the social sphere and education established instances of the nondesignated, unlawful expenditure of the budget funds allocated.

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The Russian Federation Government annually allocates significant funds for the children's summer health campaign. It is planned to allocate R153 billion for this purpose in 1995. Checks in 20 regions of Russia have shown that the resources appropriated for these purposes are not always spent as designated.

For example, instead of providing partial compensation for the cost of travel warrants, funds were spent on acquiring equipment, office furniture, video equipment, television sets for camps and preschool establishments, and other measures (Vladidmir, Arkhangelsk, Sverdlovsk, Tula, Penza, Kurgan, Kaluga, and other oblasts).

Individual instances of the nondesignated use of funds allocated from the federal budget were also established in the defense complex. There was nondesignated use of federal budget funds to the tune of R0.2 billion by the "Zamok" NTSTs [expansion unknown], and of an R8 billion investment credit allocated to the Ulyanovsk "Aviastar" joint-stock company. The Russian Defense Ministry's No. 121 Aircraft Repair Plant used funds obtained from the federal budget to repair things for CIS republics.

The allocation of protected budget items, which are financed irrespective of the federal budget's revenue performance, continued in the first quarter. The payment of wages relating to national defense and health care agencies and, as already mentioned, in social sphere establishments was ensured. Negligible wages arrears developed in state administration and prosecutor's office organs (R25.6 billion) because payment documents were filed late and filled out incorrectly and funds were redirected to other expenditure. All the wages arrears were eliminated at the beginning of April.

It should be noted that the financing of expenditure to overcome the conflict in Chechnya was secured and continues to be effected out of budget appropriations allocated to the ministries and departments in question without any overshoot on budget projections. Additional budget expenditure linked with the events in the Chechen Republic are also being made in connection with the billeting and provision of facilities for troops, the implementation of the program for restoring the Chechen Republic economy, measures being taken to increase financial and material provision for the groping of federal troops, and compensation payments to the republic's population. All this requires additional sources.

The Finance Ministry is currently preparing proposals to ring-fence expenditure which is to be presented to the government in May.

Much attention during the first quarter of the current year was devoted to questions of financing sectors of the national economy. During the quarter 16 percent of all federal budget expenditure was used for these purposes, as opposed to 14 percent in the first quarter of last year.

The difficult social situation which developed among Maritime Kray miners as a result of the chronic nonpayment of wages required the government to adopt measures to put the financing of this sector in order out of the budget. Coal industry funding was effected in complete accordance with the timetable which was worked out.

In these conditions very gross violations of financial discipline are particularly intolerable.

"Primorskuyglesbyt" [Far East coal marketing organization], for example, allowed budget funds totaling R800 million to be illegally transferred to a deposit account with the "Yevrobank" joint-stock commercial bank.

A check of the "Primorskugol" joint-stock company carried out by the Maritime Kray Federal Treasury Administration in April 1995 established the nondesignated use of R1.2 billion of federal budget funds and the temporary diversion of R17.8 billion into commercial structures for periods of between seven and 206 days.

The funding of capital investments relating to nonprotected items of expenditure is proving tricky (running at 50 percent of the planned allocations). Nevertheless the priority areas — such as expenditure linked to the 50th anniversary of Victory — have been fully funded.

Despite the relatively poor budget performance in terms of capital investment, checks have established numerous instances of the nondesignated and irrational use of federal budget funds allocated for capital investments.

The diversion of federal budget funds totaling R11.6 billion to projects not stipulated by the Federal Investment Program was established in 1994 in the Russian Ministry of Railways, for example.

Funds totaling R3.3 billion allocated to the Russian Federation Ministry of Communications to eliminate the consequences of the Sakhalin Oblast earthquake were utilized for other projects not stipulated in the investment quota for this ministry.

In Lipetsk Oblast only a small proportion of the funds allocated for the construction of housing for "Chernobyl victims" was used for its designated purpose.

Facts of the nondesignated use of capital investment funds have been established in Goskomvuz.

Goskomvuz carried out unplanned transfers of funds in excess of 5 percent of its total allocated funds,

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and funding over and above the planned purpose was allowed on a number of projects, while considerable quantities of completed work on many construction projects were not paid for.

There were instances of late distribution of funds; in two instances funds remained in the responsible authority's accounts for up to 26-37 days.

Agro-industrial complex sectors remain funding priorities. In the first quarter R2.0 trillion was allocated.

A further R300 billion was allocated to agricultural commodity producers in April this year. In April-June it is proposed to channel R1.0 trillion in budget appropriations into agriculture. In addition to this, the use of commodity credit will make it possible to supply the countryside with fuel and lubricants to the value of R6.4 trillion rubles at current prices by deferring payments to the federal budget due to fuel and energy complex enterprises.

The effectiveness of funds invested in agriculture depends to a considerable extent on their being used for their designated purpose.

A check carried out in the Russian Ministry of Agriculture and Food in April this year established instances of the ministry leadership approving allocations of federal budget funds which made provision in advance for their nontargeted utilization, of budget appropriations being immediately redirected to economic concerns and into measures which should be funded out of enterprises' own funds, and of received appropriations being redirected to subordinate organizations over the course of a month.

The correct use of funds allocated from the budget to compensate for disparities between interest rates on credit was checked in most regions of the Russian Federation. In violation of procedure, credits were granted to construction and supply organizations, retail depots, commercial and private enterprises, industrial enterprises' subsidiary farms, and retail stores. Facts of this kind were established in the Udmurt, North Ossetian, and Mariy Republics and Moscow, Amur, and Vologda Oblasts.

In Kostroma, Saratov, Kemerovo, Magadan, Smolensk, Tver, Kaluga, Arkhangelsk, and Volgograd Oblasts, the republics of Buryatia, Mariy El, and Komi, and other regions instances of preferential credit resources being diverted into commercial purposes, the purchase of cars, gas ovens, refrigerators, television sets, and buildings, and other nondesignated purposes.

Uncontrolled issuing of preferential credits led to the nondesignated utilization of budget appropriations earmarked for compensating for interest disparities to the tune of R8.0 billion. These funds have been restored to the budget.

Nondesignated utilization of funds granted for the generation of federal and regional grain stocks (Orenburg, Novosibirsk, Belgorod, Irkutsk, and Volgograd Oblasts) to the tune of R4.1 billion was established, and fines totaling R1.9 billion were imposed.

AS a result of checks in Lipetsk Oblast, for example, instances were established of procurement organizations being late to settle up with grain suppliers, which led to a temporary diversion of budget funds on a large scale. Thus, budget funds totaling R2.1 billion were diverted for between one and 3.5 months.

The role of the internal state debt as a source for topping up the budget is growing, while at the same time the proportion of federal budget expenditure which goes into servicing and repaying it is also growing.

As a result of checks of the designated use of funds earmarked for buying up and redeeming commodity loan bonds, violations of purchasing procedures to the tune of R178.8 million were established at 35 branches of the Russian Savings Bank in Tambov and Tver Oblasts. Krasnodar Kray and Yaroslavl Oblast savings banks delayed loan bond repayments by between 14 and 24 days. At the Kirov Branch of the Russian Savings Bank federal budget funds totaling R268.2 million were held for 47 days and R100 million was held for 54 days.

Federal budget settlements with the budgets of national-state and administrative-territorial formations totaled R4.4 trillion in the first quarter of 19985, including R2.0 trillion from the financial support (transfer) fund.

In addition, individual components of the Russian Federation received temporary financial assistance totaling R0.4 trillion, necessitated, as a rule, by distinct seasonal factors and natural and climatic conditions.

As of 1 April 1995 free residual funds on the local budget account totaled R5.6 trillion, of which R3.6 trillion were above-plan.

In the first quarter federal treasury bodies checked out more than 1,000 banks and 3,000 enterprises and organizations for bank promptness in transferring federal budget funds to recipients' accounts and the designated use of these funds. Some 255 instances of violations of between one and 48 days of the deadline for crediting federal budget funds totaling R2.2 billion to recipients' accounts and 596 instances of the nondesignated use of funds totaling R3.9 billion were established. Fines totaling R1.5 billion were imposed. One of the banks late in crediting federal budget funds to clients' accounts

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in the Republic of Adygea is Agroprombank, which used federal budget funds to the tune of R0.6 billion as credit resources for between nine and 22 daysr. In Kursk Oblast 44 instances of delays in crediting funds totaling R138 million were discovered in January-February. A 42-day delay in transferring R100 million in federal budget funds occurred in the Kurils subsidiary of Sakhalin Oblast's "Sakhagro" commercial bank.

During the second quarter of 1995 ministry and department leaders and heads of organs of executive power of the components of the Russian Federation will be required to adopt exhaustive measures to boost federal budget revenues and make economical and rational use of budget funds.

No Let-up in Level of Applications

The Russian Ministry of Finance and the Russian Ministry of Economics, in conjunction with interested ministries and departments, must ensure the speediest adoption of government decisions on implementing the Russian Federation Law "On Amendments and Additions to the Russian Federation Law 'On Value-Added Tax'" and also of excise duties on hydrocarbon raw materials.

The adoption of a Russian Federation Government decree detailing individual types of import duty rate should be expedited with a view to bringing it into force from 1 July this year.

The introduction in all payment and settlement documents of identification numbers allocated by a tax agency to every taxpayer, corporate or individual, would be of great significance for increasing the tax take and reducing the incidence of tax evasion. The Central Bank and the Russian State Tax Service must continue this work in the second half-year.

The Ministry of Finance is proposing to stop granting federal budget funds on a returnable basis in the second quarter of 1995, with the exception of budget loans for the purposes prescribed by Article 17 of the Law "On the Federal Budget for 1995," with a view to not granting loans for the structural restructuring of production.

The number of instructions it gets is leaving the Finance Ministry literally gasping. There can be up to 100 a day, most of them demanding that money be paid or a concession granted. We have an approved budget and a presidential edict. But every document which goes to the government includes an instruction to do sopething. It is impossible to go on like this; this flood of paper must be halted. For this it is proposed that a draft decree be adopted which would stipulate that applications and requests from Federation components and Russian Federation ministries and departments which lead to an increase in federal budget expenditure are not examined by the Russian Federation Government without prior agreement with the Russian Federation Ministry of Finance and, in particular, that capital investment quotas are not examined without agreement with the Russian Federation Ministry of Economics.

Ministries, departments, enterprises, organizations, and institutions receiving finance from the federal budget will have to be obliged to provide the federal treasury bodies monitoring the effective and designated expenditure of funds with exhaustive information on the movement of the money through all the accounts of the economic entity involved.

In 1995 the Ministry of Finance proposes to issue treasury tax exemptions to enterprises and organizations supplying products and rendering services for which payment out of federal budget funds is envisaged as counting toward to the arrears on payments to the federal budget built up by these enterprises and organizations in 1995 within the limits accounted for by the 1995 federal budget.

It is proposed that these and certain other measures aimed at implementing the federal budget be adopted in the draft government decree submitted by the Ministry of Finance.

Economic Crime Figures for First Quarter Cited

MM0905123495 Moscow ROSSIYSKAYA GAZETA in Russian 6 May 95 Weekend Edition p 29

[Report by Andrey Kirillov: "What They Are Stealing and Who They Are Giving It To"]

[FBIS Translated Text] The Russian MVD [Internal Affairs Ministry] main administration for economic crimes has summed up the first results of this year in its hard struggle against crime in the economic sphere.

What can be said when you look at these figures? Russia is not changing, citizens are stealing, swindling, bribery is flourishing, counterfeiting [risuyut] money, and using their official positions for selfish purposes. In the first three months of the year alone 60,700 such crimes incompatible with the norms of the Criminal Code were recorded. Here it is characteristic that the level of economic crime has increased this year in mathematical progression month by month.

In January proceedings were initiated in 15,974 cases, in February their number reached 35,853, and in march 60,748. To all appearances the advent of spring has obviously increased our compatriots' adventurism in their difficult work.

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If we are speaking of the structure of economic crime then there has been a rapid increase in swindling — it has almost doubled and there has been a nearly 50 percent increase in the number of illegal currency deals — no one has repealed the article on these deals although the dollar long ago became almost the main currency of the Russian state. On the other hand there was a slight decrease — of 15 percent — in the number of official violations of legislation and there was a very small increase in the number of bribe givers (if of course we have in mind the official figures and now what to compare them with) — by some 1.5 percent but that is particularly gratifying. There has been a drastic reduction in the "indicators" for counterfeiters — by one fifth. Is that not in connection with the events in Chechnya? Statistics confirm that in the North Causes region 70 percent less counterfeit money has started to be produced.

If we are speaking of the geographical preferences of the economic criminals then we can note the following trend: The majority of the most serious crimes — about 70 percent — are committed in Karelia. Some 20 percent are committed in Tuva and Maritime Kray and 22-26 percent in Dagestan, Kalmykia, Ingushetia, and Novosibirsk and Ryazan Oblasts. To judge by these figures the climate does not influence the most zealous bandits. There is obviously some other natural law in their choice of the itineraries for their "tours." Which you cannot say of the predilections of those who specialize in swindling. Almost one quarter of them were found in Moscow (1001) and St. Petersburg (365).

I know that readers treat "stories" of bribers with particular apprehension. That is understandable. The country must know the names of its "heroes" by sight. Why "heroes?" Because no one ever gives ordinary mortals anything. They must spend their whole life getting it for themselves. But to get into the elite you need certain abilities and the skill to take even those fortresses which do not surrender. There are not many of those in Russia. It is clear that although the majority prefer to remain "fighters on the invisible front" meager information does nonetheless sometimes reach militia files. This year there was information about 5,300 episodes. A trifle, of course, even if statistics venture to state that nearly every third official crime is connected with bribery.

Bribe taking is most active in the central region, in the North Caucasus and Urals. And they treat bribes relatively calmly in the northern economic region. Probably there are few bosses here.

The struggle against crime on the consumer market has also been summed up. Here the "front line" passed through stores mainly. At least deceiving consumers — the obvious leader in this sphere of crime — 9,000 recorded cases. Nearly 2,000 attempts were made to conduct illegal enterprise in trade. Here there is no one to blame, the genotype of the Soviet trade worker cannot be changed as easily as it seems as we go along. particularly if you consider that these workers have to operation in utterly intolerable conditions. Consumers have gotten into the habit of suing on every pretext.

Nonetheless, statistics, particularly criminal statistics, are a treacherous business. Look: Statistics know who stole how much where and when, who gave whom how much, the color and the sums involved in counterfeiting. But there is obviously a shortage of information here about who went to prison for how long and on what grounds. It would be useful to sum up the statistics for statistical crimes.

Union Opposes Sale of Communications Shares

MM0905143395 Moscow TRUD in Russian 6 May 95 p 2

[Report by Fedor Nikolayev under the "Scandal" rubric: "Step Right Up, the Price Has Gone Down. Will the Briefcase With the Nuclear Button Be Sold?"]

[FBIS Translated Text] Yu. Zverev, deputy chairman of the Federal Property Fund, has sent a directive to Russian communications enterprises. "I inform you," the message says, "that in accordance with the second phase of the state privatization program, shares in your joint-stock companies which are federal property are being put up for sale at a specialized auction."

This decision has had a bombshell effect on labor collectives in the communications industry. Specialists were able to easily work out the consequences which this — at first sight innocent — trade transaction could have for the country. The point is that certain commercial structures have recently been displaying enviable activeness in acquiring shares in electronic communications and telecommunications companies. For instance, according to reports from the Trade Union of Communications Workers, the "Olma" investment firm has bought up 16 percent of voting shares in the "Elektrosvyaz" Joint-Stock Company in Ryazan Oblast at open auctions, 19 percent of shares in Samara Oblast, the same percentage in Tula Oblast and Ivanovo Oblast, 18 percent in Lipetsk Oblast, and 14 percent in Pskov Oblast.

Furthermore, this firm is buying up voting shares from workers in joint-stock companies by offering practically any price for them. In this way it has amassed 25 percent of the voting shares in electronic communications joint-stock companies in Lipetsk and Pskov Oblasts.

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According to reports from competent organs, the shadow of Western telecommunications and banking structures is looming behind "Olma." Shares in our companies are being bought up with their money. So what is attracting the foreign investors? Is it really concern for the success of Russian reforms? Alas. Their interest is on a different plane. Our neighbors — the countries of East Europe — are also conducting the privatization of means of communications. They are not doing this without thinking, however, but are carefully weighing up the consequences. Thus, Hungary has sold 40 percent of its telecommunications shares to Western firms, and kept 60 percent in the hands of the state. A total of $1 billion was obtained for the sold shares. The Czech Republic sold 27 percent of its telecommunications shares, and has also obtained around $1 billion for them.

The Federal Property Fund is planning to obtain as much as just over R3 trillion from the sale of its controlling block of shares in "Rostelekom" and "Svyazinvest." Or around $500 million at the present rate of exchange. That, it turns out, is the reason for the excitement on this market. You can acquire the controlling block of shares in enterprises in Russian communications practically for free. However, it is not just economic interest (although this cannot be discounted) that is attracting the Western firms.

One-fourth of voting shares in "Rostelekom" has already been bought up by two U.S. firms through front men. It only remains to acquire another 13 percent of shares for control of Russia's telecommunication systems to end up on the other side of the ocean. It is not hard to guess what this means for Russia's defense capability and security. Figuratively speaking, in this situation the country's leadership may easily toss the briefcase containing the button controlling nuclear installations on the scrap heap. They will no longer be the ones to decide whether this button will work or not.

It is the stance of the Federal Property Fund that is most surprising in this whole story. First of all, the decision on the sale of the controlling block of "Svyazinvest" and "Rostelekom" shares was made privately, without consulting the Ministry of Communications, never mind ordinary shareholders. Second, the decision was adopted in contravention of the president's edict and the government decree prohibiting the sale of the controlling block of shares in means of communication at auctions.

At a meeting with journalists, Anatoliy Nazeykin, chairman of the Trade Union of Communications Workers Central Committee, stated:

"This decision is a crime against the state and against the Russians. On 17 May we are convening a plenum of our trade union central committee. We will plan a protest action like the one which the Greek trade union held, for instance. When the government decided to sell just 25 percent of electronic communications shares, Greek communications workers announced a strike. They were on strike for two months, but they were defending the state's interests."

"And yet, under our laws, communications workers do not have the right to strike, do they?"

"We will find another way. We have the support of the Federation of Independent Trade Unions of Russia. Everyone understands that 'Rostelekom' means all international networks and channels, and special purposes channels. Selling control of them is tantamount to selling control of the country."

Second Stage of Privatization Criticized

MM0905120995 Moscow PRAVDA in Russian 4 May 95 p 2

[Article by Professor Boris Khorev: "Shadow of 'Shady Shareout'? State Sells Its Share of Property for a Song"]

[FBIS Translated Text] In late March 1995 the Russian Government, following in the president's footsteps, once again ignored the State Duma which had not ratified the project, and adopted the program for the second phase of privatization — the monetary, auction phase — as a base. The previous phase created the impression that workers would ostensibly "join in" the ownership of privatized enterprises by means of the sale of vouchers. Now, during the second phase, property will only be sold. The block of shares in the floated enterprises that are in federal ownership should be the main source of revenue. These are the major, economically effective enterprises, the best the country has to offer. Thus, one-half of the revenue is due to come from selling enterprises in the fuel and energy complex. Such giants as "Norilskiy Nikel" and "Chernoye Zoloto" are among those being put up for auction.

The country's leaders are no longer making any secret of their true intentions: To create via the sale of state property a "strategic owner" — their own and foreign capitalists. That is the aim of the second phase of privatization. Russian financial bigwigs have already offered the government (on behalf of a consortium of major Russian commercial banks) 9 trillion rubles [R] for the state budget in exchange for their being handed control for five years of the state block of shares in particularly important and costly enterprises, after which the government will be obliged to repay the debt.

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The rights of labor collectives, of which there was so much talk at the start of "perestroyka," have been totally canceled. What is more, even the enterprise administrations, as happened with "Norilskiy Nikel," are often not informed that the shares are going under the hammer.

Recently labor collectives were offered several options for privatization. One of them involved state participation. Relying on state capital investment, the collectives generally picked that option. The hopes of state capital investment proved to be in vain. And now the state is selling its shares. The state is so impoverished that in real cost terms the 1995 Russian state budget is one-fifth the size of the 1990 RSFSR budget.

The privatizers have a specific task: To earn R24 trillion from the sale of state property, R9 trillion of which must be paid into the state budget. However, Goskomimushchestvo [the State Committee for the Management of State Property] acknowledges that more than that can be earned, that the level is patently understated. Many enterprises have indeed been sold at knockdown prices. But the totally impoverished state had the idea of using privatization to swell both state and municipal budgets. And everything else can go to hell.

Foreign entrepreneurs as well as "homegrown" Russian scoundrels and swindlers are the most desirable new owners. But foreigners are in no hurry: Investing money in Russia is thought to be unreliable. It is easier to pump fuel and raw materials out of the country in exchange for bananas and trinkets.

Early in 1995 Russia received only $2.5 billion in outright foreign investment and $1 billion in securities. Investment was mainly channeled into the fuel industry as well as in trade, the construction industry, and the lumber industry, in other words areas where there are fuel and raw materials plus a good return.

So, let us remember that figure — so far $1 billion in securities have been bought up. The United States and Germany are warning their firms about Russia's unreliability as a partner. Ten times more money has been invested in China, say, (notwithstanding its independent course).

The Kremlin is still relying on Western aid and foreign investment, cringing before the West. Our comprador bureaucratic capitalists are prepared to sell off the country lock, stock, and barrel provided that they can stay in power. The government is providing new concessions for major foreign investors and intends to sell shares in Russian enterprises on the foreign stock markets.

And this is despite the fact that last fall saw a dramatic fall in the value of shares in privatized enterprises on our stock market. In January 1995 orders for shares were down 20-fold compared with August 1994. Indeed, who needs shares in plants that are already standing idle? Some 1,700 Russian enterprises will in the near future be declared bankrupt and subjected to so-called "rescue and rehabilitation packages." This means that their workers will most likely end up out on the street. We will witness more mass lockouts by the enterprises' new owners.

The new Russian Federation Constitution proclaims labor collectives' right to choose their form of ownership. The same goes for the Civil Code. Normative acts on privatization demand that a meeting (conference) of working people be held without fail to settle the question of a change of ownership. The present phase of privatization is anticonstitutional. It represents a criminal "shady shareout" of property. There must be no illusions on that score.

Private Research Unit Aids Computer Factory

MM0905134595 Moscow IZVESTIYA in Russian 4 May 95 p 2

[Report by Valeriy Mirolevich: "Private Scientific Research Institute Helps Factory Stand on Its Own Feet"]

[FBIS Translated Text] Voronezh — The Voronezh mini-computer factory is taking on workers again. The first private Russian scientific research institute — the "IV+K" firm, which is involved in the development and introduction of new technologies, has extended a helping hand to the factory's workers. This is a new experience for us in terms of cooperation between production and intellectual capital.

Nearly four years ago "Protsessor" was forced to sharply reduce its computer output. Only two factories designed for the country's computerization were built in Russia. And this was done very late. The output of the world computer leaders flooded the domestic market, and it straightaway became clear how our "cart" differed from their "automobile."

"This was a disaster for us," Igor Protsenko, general director of "Protsessor," told me. "It was beyond us to compete against IBM. We were decades behind them. Demand for our output fell — we held clearance sales of warehouse stocks."

Highly skilled electronics engineers started leaving the factory. The number of workers was more than halved. Instead of mini- computers it began to manufacture automatic telephone stations for railroad telephone networks and remote-information modems for power engi-

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neers, and it has now developed a specialized portable computer designed for carrying out flight calculations in aviation. Customers were sought wherever possible. But orders from the railroad workers, the power industry, and the aviation industry could not keep "Protsessor" running at full capacity.

The electron accelerator installed in one of the shops by the "IV+K" private scientific research institute was initially greeted at "Protsessor" as an exotic device bringing in some income in the form of rent. Following the publication in IZVESTIYA of a report entitled "A Unique Filter Has Been Manufactured in Russia, But Thailand Will Be Drinking Clean Water" (28 December 1994), attitudes toward the development projects of "IV+K" changed. The fundamentally new technology for purifying various liquids with the help of membranes produced in the electron accelerator attracted the attention of specialists and businessmen from CIS, West European, and Southeast Asian countries.

Protsenko shed his remaining doubts — the market niche for membrane filters was boundless. Furthermore, the use of the membranes makes it possible to manufacture electronically controlled industrial purification units. In terms of outlays they are cheaper than traditional purification installations by at least an order of magnitude. Furthermore, in assimilating the new output "Protsessor" is not losing its electronic specialization.

But the problem has been: Where to get the money for equipment and raw materials? But then the improbable happened: The private scientific research institute itself started funding the new production at "Protsessor." According to staffers' calculations, around 500 million rubles is needed for the first phase. One-third has already been invested, and the first thousand filters have been manufactured.

The private scientific firm already had some funds from the sale of output manufactured at a small experimental factory. Profitable orders started coming in, some from abroad. But it is useless to move into a market with small consignments — competitors will always turn up who will produce something similar. At the same time, there was also no reason to plunge headlong into a large-scale production process. It was not for that purpose that a small group of staffers at a military-industrial complex research institute a few years ago got involved in the creation and introduction of new technologies for the national economy. But the money being invested in the factory today is not just sponsorship but also the creation of their own research base. With the help of the electron accelerator work is also being conducted in another six areas which have not been applied in the national economy.

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International Affairs

'Domestic Problems' Postpone Kuchma Trip

WS0905113095 Kiev INTELNEWS in English 2323 GMT 8 May 95

["Special to Intelnews" by Olha Ansimova]

[FBIS Transcribed Text] President Leonid Kuchma's sudden cancellation of his planned visit to France and Great Britain, originally scheduled for May 6-7, was officially necessitated by "domestic problems." Kuchma's decision to postpone the trip illustrates that the political and economic situation in Ukraine has been seriously aggravated.

Kuchma is known to have planned to launch a series of visits to Group of Seven Industrialized Nations member states in the first half of the year to develop political contacts and gain support for his reforms. (Last year the president visited the United States. This year he was in Japan and Italy and planned a visit to Germany for July.) Hence, the president's cancellation of his Paris and London visits to celebrate the 50th anniversary of the victory against fascist Germany disrupts his foreign policy strategy.

So what problems were so urgent that they necessitated the president's personal control? First of all, there is Crimea. To escape possible provocation during Victory Day celebrations, the president recently sent a telegram to Black Sea Fleet Commander Eduard Baltin. In his telegram, Kuchma demanded the distinct exclusion of all "military vehicles and armaments in the parade and the exclusion of firearms among servicemen who will participate in the parade." It is public knowledge that at first the president had approved a program of celebration, which stipulated that the military parade be conducted in Kiev only. But the Sevastopol City Council, known for its pro-Russian positions, had decided to conduct a parade in "the city of Russian glory" under red banners of the "winning country" and with participation of military vehicles and armament.

The political situation in Crimea has been aggravated not only by separatists' activity, but by the claims and reproaches among Ukrainian and Russian Black Sea Fleet officers and their commanders.

A delegation from Russia's lower house arrived in Sevastopol to celebrate Victory Day. In other words, the Crimean parliament invited those deputies who supported Speaker Sergei Tsekov. There is no doubt that Crimean separatists and interested Russian deputies will try to use the celebration to strengthen anti-Ukrainian tendencies among the peninsula's population.

Despite the Ukrainian Prosecutor General's demand not to conduct a referendum, the Crimean parliament rejected the demand and made a decision to organize an all-Crimean referendum. According to the decision, two questions will be included in the referendum: about the Crimean Constitution from May 6, 1992, and about reunification of Russia, Ukraine and Belarus. Thus, the separatists returned to their old declared ideas: to unite Crimea with Russia either through confirmation of its statehood or through re-creation of the former Soviet Union.

Although Kiev is unlikely to permit such a referendum, the Victory Day celebration can serve as a good reason for the separatists to agitate the population with corresponding propaganda. The first step towards preparation of a needed reaction was the declaration by the Crimean parliament of a new celebration — Crimean Constitution Day. The separatists, however, cannot but understand that there is no legal way to include Crimea in Russia. That is why they try to gain the support of the Black Sea Fleet. We can add to this the appeals of pensioners to the Black Sea Fleet sailors to "defend the city of Russian glory." The separatists have long tried to agitate the poorest part of the population that, as known, are very unsatisfied with the current economic situation in Ukraine.

That is why President Kuchma does his best to prevent possible provocation in Sevastopol while celebrating Victory Day. Meanwhile, the situation in Crimea has been aggravated by the division of the Black Sea Fleet. The problem defies solution so far, and Kiev does not want to compromise itself to Russia by giving Sevastopol the status of a Russian naval base. In this regard Moscow's attempts at political and economic pressure "to revise the agreement on restructuring Ukraine's fuel debt" seem to bear an ominous tone. Such propositions are known to have been recently uttered by Russian politicians of different levels.

This situation accounts for another problem for Kuchma to solve before his visit to Moscow right after the parade in Kiev. The restructuring of Ukraine's fuel debt was postponed for 13 years, but only under the condition that the current payments will be paid in time. Ukraine, however, faces the next crisis of payments. According to the Energy Ministry, Ukraine's debt for Russian fuel reached US$550 million in May against US$445.5 million in the first quarter of 1995. That is where the governmental resolution on tough measures toward gas consumers, even to the point of gas cutoffs and business closures, that was issued last week stems from. The latest resolution was unpopular with the population for the following reason: it is supposed to cut off gas supplies for municipal needs, first of all for village consumers. The realization of the latter resolution raises

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some doubt because it should be considered as the first step toward the further increase in gas prices.

Apart from this resolution, the government developed another decree of the Cabinet of Ministers, issued last week, according to which every US$68.7 out of US$80 destined for gas payments should go to Russia.

Hence, solving these problems right now Kuchma is obviously planning to present them to Yeltsin during his visit to Moscow as evidence of Ukraine's goodwill efforts at resolving the debt dilemma. Kuchma's aim in this regard seeks to lessen Moscow's pressure on the division of the Black Sea Fleet and to brighten the prospects for signing the treaty on friendship and cooperation between Russia and Ukraine.

The third problem that Kuchma needs to address is purely domestic — gaining the support of a political force that the president could rely on in the event of unpopular measures, for example, in his opposition to the Ukrainian parliament. As it had previously announced, the presidential team was developing different versions of solutions for potential problems arising from steps that were expected to be introduced this month.

On May 6, the president visited Kharkov, officially to meet with war veterans. Why did he select Kharkov and not Lvov, Donetsk or Sevastopol? Kuchma arrived at his decision because Kharkov is the host city for the headquarters of the Inter-Regional Bloc of Reforms [IBR], the bloc that brought Kuchma to power in the presidential election last year. The Inter-Regional Bloc of Reforms expanded to become a political party. Leonid Kuchma is not an IBR member. Volodymyr Hryniov, the IBR leader and a presidential adviser, had several times dispelled the supposition that his party was pro-presidential. Hryniov said that his party would support Kuchma if he would share the IBR's positions.

The IBR party is known to have assisted in creation of the draft law on election of the parliamentary deputies, according to which the Ukrainian legislative body is to be converted into a bicameral legislature. Kuchma, concluding his visit to Italy, said the experience of the Italian two-house parliament had proved the efficiency of such a structure. Thus, the president made his first step to gain the IBR's support . Kuchma's visit to Kharkov is evidence of his intention to continue his efforts in this respect.

Kuchma Leaves For Moscow 'In A Good Mood'

LD0905121995 Moscow ITAR-TASS in English 1152 GMT 9 May 95

[By Viktor Demidenko and Mikhail Melnik]

[FBIS Transcribed Text] KIEV, May 9 (Itar-Tass) — President of Ukraine Leonid Kuchma left Kiev for Moscow today. He will lay wreaths on the Unknown Soldier's grave by the Kremlin wall and take part in festivities to mark the 50th anniversary of the Great Victory in the Russian capital.

"I am leaving for Moscow in a good mood", Leonid Kuchma told Itar-Tass today. "The present 50th anniversary of the Great Victory is a festival of all the peoples of the former Soviet Union and all the countries of the Anti-Hitler Coalition which finally emerged victorious over the Brown Plague", he noted.

"In Moscow leaders of all these states have assembled. We will all together remember who defended native land, thank those survived and rebuilt the country during the post-war years, and apologize to those war veterans whom we could not ensure a decent life", Leonid Kuchma said.

At the same time, he expressed confidence that Peoples of the CIS have a future. "If our peoples could withstand and emerge victorious in the most horrible war, then they can also build strong and thriving independent states", The Ukrainian President emphasised.

Kuchma Arrives for Celebrations

LD0905133895 Kiev UNIAN in Ukrainian 1115 GMT 9 May 95

[FBIS Translated Text] Kiev — After the participation in the celebrations in Kiev President of Ukraine Leonid Kuchma and Acting Deputy Prime Minister [Defense Minister] Valeriy Shmarov have arrived in Moscow.

The program of the visit by the president of Ukraine in Moscow includes the participation in the laying of a wreath at the Tomb of the Unknown Soldier and a meeting with Russian President Boris Yeltsin.

Earlier, the parties of democratic orientation (Christian Democrats, Rukh, "Greens", the Republican Party, the Democratic Party, and the Liberal Party) made a statement in which they appealed to the president of Ukraine, proposing that he should not take part in the commemoration ceremony on Poklonnaya Hill and Red Square. The Congress of Ukrainian Nationalists also called on the president of Ukraine to give up his trip to Moscow.

The president of Ukraine will return to Kiev during the evening of 9 May.

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Economic Documents To Be Signed During Clinton Visit

LD1005103195 Kiev UNIAN in Ukrainian 0900 GMT 10 May 95

[FBIS Translated Text] Kiev — A joint statement is planned to be signed between the United States and Ukraine during U.S. President Bill Clinton's visit to Ukraine, press secretary Mykhaylo Doroshenko said at a briefing for journalists on 10 May. In his words, this document is important not just in terms of the development of bilateral relations. He said that up to 10 interstate economic documents will be signed during the visit.

Doroshenko said that Clinton and Leonid Kuchma will hold face to face talks. There will be talks between Ukraine's Foreign Minister Hennadiy Udovenko and U.S. State Secretary Warren Christopher as well as expanded talks between both states' delegations. They will discuss Russian-Ukrainian relations, the Crimean issue, and European security, and expanding the North Atlantic Alliance.

The president's press secretary noted that this visit was important in strengthening Ukraine's position in the international arena.

Kuchma Prepares for Early June U.S. Visit

LD0905183395 Kiev UNIAN in Ukrainian 1600 GMT 9 May 95

[FBIS Translated Text] Kiev — The Ministry of Foreign Affairs has launched preparations for Ukrainian President Leonid Kuchma's visit to New York soon, Ukraine's Foreign Affairs Minister Hennadiy Udovenko said in a UNIAN interview on 9 May.

On 6-7 June, Kuchma will receive a special award from the East- West Research Institute for his efforts to resolve problems in Ukraine's domestic and foreign policies.

It is expected that this ceremony, "a very important event", will be attended by former U.S. President George Bush, Udovenko said.

Udovenko did not rule out that this American trip might fail to take place for the same reason that prevented the president of Ukraine from visiting Great Britain and France.

Council of Europe Parliamentary Leader Ends Visit

LD0905213795 Kiev Radio Ukraine World Service in English 2100 GMT 9 May 95

[FBIS Transcribed Text] On 9 May Miguel-Angel Martinez, Council of Europe parliamentary assembly president, left Kiev after completing his four-day official visit to Ukraine. The visit's major aims were to make some arrangements for Ukraine's future accedence to the Council of Europe and to attend the Victory Day celebration. Mr. Martinez met with Ukrainian President Leonid Kuchma, Supreme Council Chairman Oleksandr Moroz, Acting Prime Minister Yevheniy Marchuk, members of the Supreme Council foreign affairs and CIS relations standing committee, members of the Ukrainian delegation to the Council of Europe, and ambassadors of Council of Europe member countries accredited to Ukraine.

Mr. Martinez attended the V-Day solemn gathering in Kiev and made a speech there. He laid a wreath at the Tomb of the Unknown Soldier in the Ukrainian capital and made a trip to the Shevchenko museum in Kanev, the burial place of the Ukrainian poet.

Kuchma's Adviser Reprimands Yeltsin's Aide

WS1005070095 Kiev KIYEVSKIYE VEDOMOSTI in Russian 5 May 95 p 3

[Interview with Dmytro Vydrin, domestic policy adviser to Ukrainian President Leonid Kuchma, by Maryana Oliynyk; place and date not given: "Dmytro Vydrin: One Can Hear the Moscow Accent in the Ukrainian-Russian Dialogue" — first paragraph is KIYEVSKIYE VEDOMOSTI introduction]

[FBIS Translated Text] **The interview with Dmitriy Ryurikov, aide to Russian President Boris Yeltsin, published in the 28 April issue of KIYEVSKIYE VEDOMOSTI has generated a broad public response. Our readers have expressed various, though mostly harsh opinions. This has inspired us to request comments from one of the few Ukrainian experts in the area of Ukrainian-Russian relations, Dmytro Vydrin, author of the "Ukrainian-Russian Relations" thesis and adviser to the Ukrainian president for issues of domestic policy.**

[Oliynyk] How do you assess Mr. Ryurikov's position presented in his interview with our newspaper?

[Vydrin] The need for a debate on how the Ukrainian-Russian negotiating process is proceeding, whether everything is normal, not only in terms of results, and, finally, how it is organized, arose a long time ago. In my opinion, in the interview with Dmitriy Ryurikov — a man representing the Russian political establishment, and the Russian president's aide, which means that, to a certain degree, he presents the opinions of Boris Yeltsin himself — one can see both negative and positive sides of the negotiating process. On the one hand, I cannot but share the concern looming through all of

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Mr. Ryurikov's words, and I am grateful to my Russian colleague for the sincerity with which he expressed his feelings. On the other hand, after reading this interview, I had a feeling of certain resentment and even anxiety, because his stance hides both many existing and potential discrepancies and barriers on the path toward the establishment of normal Russian-Ukrainian relations.

[Oliynyk] Could you be more specific?

[Vydrin] First, no matter how strange it may seem, my anxiety is connected not with the content of this interview, and not even with the content of our relations with Russia. There are no insignificant things in diplomacy; sometimes form plays a more important role than content. So, it is the form of the negotiating process that is currently making me feel somewhat uncomfortable, since, in my opinion, it reflects not Ukrainian-Russian relations, but rather Ukrainian-Moscow relations. One can clearly hear the Moscow accent in the Ukrainian-Russian dialogue: I have in mind the style that has always been characteristic of the Moscow official elite — arrogance toward "provincials," and certain lordly disdain. Haughty confidence in his strength and the correctness of his stance, as well as contempt for the partner's possibilities — whether it was hidden well or poorly — were looming in his every sentence. I am alarmed most, however, by something that I would term a presumption of correctness: It is when one side believes that it is completely in the right, regardless of the topic of talks. The most offensive thing is that the Moscow side does not notice its accent. I think that years of psychological adaptation to one another and psychological equality must pass until this accent, which is hampering the talks very much, disappears.

[Oliynyk] Do you have in mind Mr. Ryurikov's repeated assurances that "until recently, Russia tried — to a maximum degree — to meet Ukraine's demands, while the Ukrainian authorities did not make a single compromise?"

[Vydrin] You must know that during the arduous process of establishing relations between Russia and Ukraine, I have repeatedly become convinced that our Moscow friends quite often use double standards while assessing their own and our positions. It becomes particularly visible when one of the sides has to use historical analogies. When the Ukrainian side tries to provide historical examples as arguments, the Moscow side, as a rule, says: "Colleagues, it is not worth recalling the past!" At the same time, the Russian side frequently resorts to this, and the aforementioned interview may serve as a perfect example. In diplomacy, economic relations, etc., double standards are basically unacceptable on the part of the presumably stronger partner. As for the nobility of the Russian side... I have too often encountered cases of presenting the Russian side's failures not as its incompetence but as its nobility. I would thus very carefully use such categories as "worse-better," "more noble-less noble," etc. in our relations. I am feeling embarrassed for my Russian colleague in this regard.

[Oliynyk] By the way, let us talk about categories. Could you decipher for our readers the expression "special relations" used by Mr. Ryurikov?

[Vydrin] Our Russian colleagues are currently using this expression very often. I must admit, however, that I have never heard any explanation as to what these "special relations" mean, in a strictly scientific or political sense. Do they mean some special economic ties, special political partnership, or special humanitarian or cultural relations? Presuming that these relations are built on kinship and common history, Belarus can also aspire to such relations with Ukraine. If the talk is about special customs regulations, we already have such contacts with Georgia.

[Oliynyk] The words "Sevastopol" and "the Black Sea Fleet" were again addressed during the conversation between Mr. Ryurikov and our correspondent....

[Vydrin] I have studied conflicts for a certain period of time, and I know that there are strict rules and axioms in this area as well, as in physics. One of them says: If there exist certain tensions between partners, one must select the least conflicting topic for negotiations, to ease tensions and relieve a possible or obvious conflict. And I am very frightened by the Russian side's persistent striving, so to say, to begin all talks with the Black Sea Fleet and reopen old wounds, thus dooming to failure other problems which could be resolved. After all, we could have built the dialogue in a completely different manner — we could have selected issues, on which Ukraine and Russia are able to come to terms and reach a "consensus." This is not being done, even though the Ukrainian side has proposed to do so. In our relations, I am concerned most by the fact that the Russian side (and Mr. Ryurikov's interview reflected this) always tries to deflect from the epicenter of our relations (and this is primarily the establishment of mutually beneficial economic ties) to peripheral issues, which the public follows. I had expected that Russian politicians would rather have reproached us for the lack of achievements in the process of establishing transnational financial-industrial groups. Issues concerning joint exports of electricity (the total profit coming from these projects could amount to billions of dollars), as well as joint programs related to oil reprocessing and refining are

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also extremely important. For example, no other state than Ukraine is able to refine high-sulfur oil extracted in certain regions of Russia. Moreover, Ukraine is currently encountering great technical and economic difficulties. Still, we have never blamed Russia for them, nor we have conditioned the resolution of any political or economic question on the resolution of these problems. This is a matter of nobility.

Certain international projects are also being moved into the periphery.

[Oliynyk] You are tough regarding your Russian colleagues...

[Vydrin] While reproaching the Russian side, I do not want to say that the Ukrainian side is irreproachable. We can be reproached for many things, primarily for insufficient scientific studies on our proposals. Although we have been building relations with Russia for as long as three years, we still do not have a scientific center to conduct professional assessments of all aspects in our relations. We are just now establishing the Institute of Russia and the CIS. In Russia, there are dozens of similar centers and institutes.

If we had at least eased, if not removed, all the difficulties I have mentioned, we would have dealt with completely different dynamics of the negotiating process. Its prospects, in my opinion, are so far looking very unclear through all these barriers.

National Affairs

Kuchma Sends Victory Day Message to Nation

LD0905152895 Kiev Radio Ukraine World Service in Ukrainian 1300 GMT 9 May 95

[Address by President Leonid Kuchma on the occasion of the 50th anniversary of the end of World War II in Europe — read by announcer]

[FBIS Translated Text] Dear compatriots, half a century separates us from the last shot of the most violent war in the history of mankind, says the message of congratulations from Leonid Kuchma. The feat of the peoples, who with united efforts saved the world from the brown plague of fascism, from the threat of enslavement and the destruction of the nation, stands in all its greatness before the world today.

Ukraine made a significant contribution to the joint victory of countries in the anti-Hitler coalition against fascism. Our people mobilized all its forces and possibilities for the fight against the fascist aggressors. Ukraine forged a victory for all in a single fraternity with other nations which cannot be forgotten and separated. During these days the immortal fire of bravery of the soldiers of the Soviet Army has lit up with new vigor in the memory of people, of partisans, underground fighters, and self-sacrificing heroes of the rear. We turn to you dear veterans, says the congratulatory message from the president, with words of sincere gratitude. Your steadfastness and bravery during the hard times of the war and your love for the fatherland will always be inspiring example for future generations.

Honor and glory to you, representatives of the legendary cohort of victors. Today we bow our heads low before the bright memory of those who gave up their lives for the sake of the fatherland. We will always be irredeemably indebted to them. People will pass the names of those who defended their native land, their will and truth, and their national dignity to the last breath from generations to generations.

In the 20th century wars thundered, on Ukrainian lands for almost 15 years. Let these terrible hard times never be repeated. For the sake of confirming peace, Ukraine was the first in the world to voluntarily give up its nuclear weapons. For the sake of peace Ukraine confirms its peace-loving foreign policy. In the name of peace we aspire to build a society of social harmony where the legal interest of every person and all social groups will be guaranteed. I believe we will overcome all the difficulties that have appeared today on this path. We will safeguard peace and goodwill for every person. A people that has achieved victory over fascism will overcome any kind of discord. I greet you all sincerely and cordially on the occasion of the great bright Victory Day, says the congratulation from Ukrainian President Leonid Kuchma to the people of Ukraine. Let Victory Day become a symbol for the unification of the Ukrainian people around the great affair of creating its own democratic state. Let there be peace and happiness in every home.

Kuchma Hails Soviet Union Victory in World War II

LD0905221095 Kiev Radio Ukraine World Service in English 2100 GMT 9 May 95

[FBIS Transcribed Text] Kiev's Ukrayina palace was the venue of a solemn gathering of Ukraine's high-placed government officials, parliamentarians, senior army officers, public figures and World War Two veterans, marking the 50th anniversary of the Allied anti-fascist forces' victory over the Nazis. Speaking at the meeting was Ukraine's president, Leonid Kuchma.

He described the tremendous importance of the anti-Hitlerite coalition's victory in World War Two and the colossal contribution to it by the Soviet Union, whose sacrifices were the greatest. As President Kuchma said,

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the great victory's dimensions, as seen by the former Soviet Union's people, make it much more than a mere military political victory over the enemy, since their very existence was then at stake as the Nazi ideology viewed them as slaves doomed to extinction, which is why the victory's role and significance had been viewed somewhat differently by the former Soviet Union's peoples and Western nations.

According to the Ukrainian president, the Great Patriotic War was the instance of truth, national self-sacrifice, and ultimate triumph. Despite the cold war period that followed it with its acute ideological and political controversy, at times verging on brinkmanship, the victory ensured the world's rather stable existence and more [word indistinct] peaceable evolution, which may also be referred to as the Great Patriotic War's positive outcome in terms of the Soviet Union's victory over fascism.

Defense Minister Addresses VE Day Parade in Kiev

LD0905133195 Kiev Radio Ukraine World Service in Ukrainian 0700 GMT 9 May 95

[Speech by Defense Minister Valeriy Shmarov during VE Day ceremony in Kiev — live]

[FBIS Translated Text] Comrade president, the commander in chief of the Armed Forces of Ukraine, dear comrade veterans, comrade generals, admirals, officers, noncommissioned officers, warrant officers, sergeants, sergeant majors, officer cadets, soldiers and sailors. Esteemed Kievites and guests of Ukraine's capital.

On behalf of the personnel of the Ukrainian Armed Forces, the leadership of the Defense Ministry and myself personally, I sincerely welcome you on the occasion of the 50th anniversary of the victory. This significant date in the history of the whole of mankind is filled with special content for our people. Twice the war rolled through Ukraine like a fiery wave inflicting more destruction and losses than any other state in Europe. Ukraine gave 6 million people to the active army, half of whom perished. Half of those who survived became invalids. Ukraine lost more than 7 million of its inhabitants on the front lines, in the rear, and in forced labor in Germany. We remember and honor Ukraine's defenders, liberators, popular avengers who operated in the temporary occupied territories, and workers in the rear whose motto was everything for the front, everything for victory.

A separate verse of glory was written into our history by women. Women fought gallantly at the front and carried a heavy burden in the rear. They deserve great respect from generations. There was not a section of the Soviet-German front line where Ukrainian sons and daughters did not fight. Ukrainians also formed part of the Canadian, Polish, and U.S. Armies. Crimea, the shores of the Dnepr, Volga, the fields outside Moscow, the cliffs of Normandy, and Norway remember the feats of our countrymen.

The road to victory was long and difficult. Our people went toward the bright day through the flames and blood of endless battles; through return and death, the bitterness of defeat and joy of victory. More than 20 large operations with the participation of more than 7.5 million soldiers were conducted to liberate Ukraine. Almost 4,000 liberators of Ukraine received the title of hero of the Soviet Union for feat of arms. Among them were 2,598 Russians, 668 Ukrainians, 69 Belarusians, 62 Georgians, 35 Armenians, 33 Uzbeks, 30 Kazakhstanis, and 17 Azerbaijanis. In total there were representatives of 43 nationalities. We bow our heads to the memory of the heroes of the Great Patriotic War, those who died in the fight against the hateful enemy in defending their native land and pay our deep respect for every person who took part in this war, regardless of their nationality.

Ukraine along with its people will never forget the immortal feats of the liberating soldiers. They held out, saved civilization, and gave present generations the possibility to live and create.

In building an independent state Ukraine is persistently conducting a policy of peace and equal partnership relations with all countries both in the East and in the West, and in the first instance with the CIS. We are united by common history, religion, economic and geopolitical relations that have arisen over the centuries and decades including millions of family, friendly and business contacts between people. We are also united by similar problems of today.

The basis of Ukraine's military build-up and policy is a military doctrine, which is of a defensive nature. But the defensive nature of the military doctrine does not lessen but rather raises significantly the necessity of a high combat readiness for the Armed Forces. Ukraine respects the sovereignty and political independence of other countries and has no claims against any of them. It strictly abides by the principles of the noninviolability of existing borders. It does everything possible so that its Armed Forces become strong and brave. Remaining faithful to the glorious national historical traditions of our people and irrespective of the difficulties in the economic life of the state, generals, officers and personnel continue to strengthen the combat readiness of the Armed Forces, and increase their professionalism and combat skill. I say to the whole of the Ukrainian

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people that the country's Armed Forces are ready to defend the sovereignty and independence of our state.

Taking into account the changes that have happened in the world political community and the new relations between states, we consider that peace on the planet can be safeguarded not only by the force of weapons but also by the force of political measures and the development of friendly relations including between the Armed Forces. We are precisely aspiring toward these kind of relations and are finding understanding.

The Ukrainian Army is not only proud of the bravery and heroism of its veterans, but is also being formed on the best traditions of bravery and heroism, and the traditions of the Ukrainian people. By strengthening itself spiritually, the youth is learning from the example of the high patriotism, loyalty, and dedication to Ukraine.

I wish the war veterans and all citizens of Ukraine good health, happiness, prosperity, peace, and civic accord for the sake of building a powerful and lawful Ukrainian state. This will be the best memory to all those who gave up their lives for freedom in the fight against fascism and for the happiness of future generations. We bow to the ground. Esteem and love for the defenders of our native land. Eternal memory and glory to Ukraine's sons and daughters who laid down their lives. Glory to the Armed Forces of Ukraine, glory to the people of Ukraine.

Lvov Leaders Clash With Supreme Council

WS1005092495 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 4 May 95 p 3

[Report by Vitaliy Panov from Lvov: "Soviets Have Died. Long Live the Soviets?"]

[FBIS Translated Text] As everyone knows, Lvov has become one of the first Ukrainian cities to dissolve rayon councils of people's deputies. They have been replaced by administrations appointed by the city authorities. However, this process, which, by the way, many people regard as real support for President Leonid Kuchma's initiative to establish an efficient system of power in Ukraine, has not gone smoothly. When Mr. Zinoviy Ursul, chairman of the self-dissolved Halytskyy Rayon Council, was not appointed head of the rayon administration, he suddenly became a fierce supporter of the Soviet system. Having declared everything illegal, he has demanded that the Ukrainian Supreme Council put the Ukrainian Constitution back in force in Lvov. And this means the reestablishment of the Halytskyy Rayon Council, which he should further head. As Lvov Mayor Vasyl Kuybida has said, however, the law does not envision reestablishment of councils after their dissolution.

The Ukrainian Supreme Council has decided to hold elections to Lvov rayon councils, which should restore the Soviet system in accordance with the current Ukrainian Constitution. Our supreme legislative body will hardly manage to implement its intention. Ambiguous public statements by the city and oblast leaders, as well as opinions presented by the media, smack of an appeal to boycott the elections. As a result, people, already tired of political squabbles, may actually not go to the polls. I think that other levers will be used as well: Right-wing radical organizations, which are strong and influential in the Lvov region, will directly call on the voters to boycott the elections.

Still, the elections may be canceled due to purely organizational reasons: The nomination and registration of candidates for deputies is supposed to be carried out within a limited period of time and at a record pace. And the elections will most likely be scheduled for June, during the peak of "dacha days." It seems that the Supreme Council has no real levers to persuade the Lvov authorities, who are unwilling to hold the elections for rayon councils, and the unappointed administration will remain in the regions.

"I think that this entire battle is simply a play on words," believes socialist Oleksandr Pokrovskyy, main consultant of the Ukrainian Supreme Council in Lvov Oblast. "After all, any regional administration is a circle of people whom other people trust. Why can they not become rayon council deputies? I understand that the word 'soviet' itself causes an allergic reaction. But maybe it is time to abandon ideological stereotypes? In the West, they are called mayoralties or municipalities. In fact, however, these are the same Ukrainian 'radas' [councils] — a form of government characteristic of our people since ancient times. I think that it will only contribute to the cause if rayon councils are reestablished in Lvov, and people, whom the entire population and not only the leadership, trusts."

Crimean Parliament Speaker on 'Unity of Motherland'

LD0905201095 Kiev UNIAN in Ukrainian 1600 GMT 9 May 95

[FBIS Translated Excerpt] Simferopol — "Adolf Hitler's dream to annihilate the great Soviet Union has come true," Sergey Baburin, leading an official delegation of Russia's State Duma deputies, told a VE-Day celebration in Simferopol on 9 May.

This mistake, Sergey Baburin said, should be rectified and the Motherland restored. He called on Crimeans "to lead the way in uniting Russia and Ukraine in one state."

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"It is with Russia that we associate our hopes for a future, hopes for freedom and independence," the ex-president of Crimea, Meshkov, told the rally.

In his speech, Serhiy Tsekov, Crimean parliament speaker, said: "We all remember Russia, our homeland, and shall never forget it." He added that the VE-Day anniversary demonstrated "the unity of our Motherland."

Supreme Council of Crimea Chairman Serhiy Tsekov, ex-Crimean President Yuriy Meshkov and Russian Federation State Duma deputies laid flowers to the Tomb of the Unknown Soldier in Simferopol and attended a gathering near Crimea's parliament. [passage omitted]

Crimean Parliament Seeks Referendum

954F2231A Simferopol KRYMSKIYE IZVESTIYA in Russian 29 Apr 95 p 1

[Statement of the Supreme Council of Crimea]

[FBIS Translated Text] Esteemed People's Deputies of Ukraine!

Having analyzed the text of your statement, we have concluded that the visit of some Crimean members of parliament has, possibly, created a somewhat misleading impression of the situation that has taken shape in the Supreme Council of Crimea. We declare, for our part, that there is no reason to doubt that we are operating in the legal domain of Ukraine.

But, operating in this legal space, deputies of the Supreme Council of Crimea have seen for themselves repeatedly that it is to a certain extent unregulated and contradictory. We are caused the greatest concern by the fact that legislation of Ukraine does not reflect to the proper extent the interests of Crimea and Crimeans, and the decisions of the Supreme Council and the president of Ukraine of 17, 24, and 31 March 1995 put them in an unequal position compared with the other inhabitants of Ukraine.

It is for these reasons that the deputies of the Supreme Council of Crimea, expressing the wishes of their electorate and at the same time respecting international legal and political principles, hope to persuade you to continue along the path of difficult, but necessary dialogue in order, taking the generally recognized standards of democracy as a basis, to take account of the interests of Crimeans.

In accordance with this aspiration, the Supreme Council of Crimea proposes that the Supreme Council of Ukraine be the guarantor of an all-Crimea referendum on the Constitution of the Republic of Crimea.

Realization of this democratic action would afford Crimeans an opportunity to express their attitude toward their constitution and would correspond fully to the framework of the legal field of Ukraine.

City of Simferopol

25 April 1995

No 25-1 SC.

Meshkov Ignores Liquidation Commission

954F2232A Simferopol KRYMSKAYA GAZETA in Russian 4 May 95 p 1

["Statement of Press Office of the Government of Crimea"]

[FBIS Translated Text] In connection with the Supreme Council of Ukraine's abolition of the Office of the President of the Autonomous Republic of Crimea, the Cabinet of Ministers of Ukraine by Directive No. 218 of 14 April 1995 instructed the Government of the Autonomous Republic of Crimea for the liquidation of the Office of the President to create a commission headed by Vice Premier Arkadiy Demidenko.

The liquidation commission was formed by Decree No. 120 of the Government of the Autonomous Republic of Crimea of 20 April 1995. This document also determined measures connected with the abolition of the Office of the President, including those concerning provision of the employees thus dismissed with the guarantees and privileges specified by legislation.

Three members of the staff of the abolished Office of the President who were made a part of the commission declined to take part. Nor did the former president of the Autonomous Republic of Crimea wish to be acquainted with the decisions that were adopted. Petr Chernyatevich, chief of staff of the liquidated Office of the President, was sent a letter on 21 April 1995 from the commission chairman requesting lists of office staff for the disbursement to them of their pay and an explanation to them of the rights and guarantees ensuing from current legislation. The documents have yet to be presented.

On 26 April 1995 Valentin Kuptsov, public prosecutor of the Autonomous Republic of Crimea, ordered Yuriy Meshkov and Petr Chernyatevich to make provision for the unimpeded work of the liquidation commission and to vacate premises that they were occupying illegally. There has been no compliance with the public prosecutor's order.

A day later, on 28 April, at 1500 members of the liquidation commission arrived at the Supreme Council building for a meeting with employees of the abolished office. But despite the advance notice, none of the

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members of staff of the ex-president arrived for the meeting.

As a result of the outright disregard for the decisions of the Supreme Council and Cabinet of Ministers of Ukraine and the Government of the Autonomous Republic of Crimea by the former president and the leaders of the abolished office rank-and-file employees are guiltlessly suffering, they have not been paid their wages, and their legitimate rights are being infringed.

The Press Office of the Government of the Autonomous Republic of Crimea declares that the entire responsibility for the nonfulfillment of the decrees connected with the liquidation of the Office of the President is borne by Yuriy Meshkov and the former leaders of the president's staff personally.

Meshkov Commemorates Crimea Constitution

954F2239A Simferopol KRYMSKIYE IZVESTIYA in Russian 5 May 95 p 1

[Address of Yu. Meshkov, president of Crimea: "Esteemed Citizens of the Republic of Crimea, Dear Crimeans!"]

[FBIS Translated Text] On 6 May 1992 the Supreme Council of Crimea adopted the Constitution of the Republic of Crimea after a nationwide discussion.

Since that time this date became for Crimeans not only a memorable day and a holiday, but also a fateful landmark with everlasting historical significance for Crimea.

Our republic, whose statehood was recreated by means of a free referendum on 20 January 1991 based on universal, equal, and direct suffrage in a secret ballot, acquired the Basic Law of a legal, democratic, and soviet State of Crimea three years ago.

The Constitution of the Republic of Crimea proclaimed: "The bearer of sovereignty and the only source of state authority is the people, comprised of the citizens of the Republic of Crimea of all nationalities." That is, the people, according to the Constitution of our republic, implement state authority by means of elections and referendums, and also through all institutions and organs of legislative, executive, and judicial authority.

The Constitution of the Republic of Crimea consolidates universally recognized principles and norms of international law that are a constituent part of the legal system of our young state.

All these years, from the moment of the re-creation of our republic, certain circles and nationalistic political leaders of Ukraine tried to get their supreme leadership to discard elementary democratic principles for building a rule-of-law society and pursued a policy for the construction of a national and unitary state. That is, a policy of disruption of the centuries-old and millennial fraternal ties between Russia and Ukraine.

The Supreme Council of Ukraine on 17 March 1995, and afterwards the president of Ukraine on 31 March 1995, after amending their laws and agreements previously achieved with Crimea, in a unilateral procedure from a position of strength took steps, unprovoked and unprecedented in world practice, to abrogate the Constitution of the Republic of Crimea and other laws that established legitimate organs of democracy and to infringe upon the basic and inalienable rights and freedoms of citizens and persons in Crimea.

The Ukrainian leadership accuses Crimea of separatism and attempting to violate its territorial integrity. But these accusations are groundless, inasmuch as according to Article 9 of our Constitution "The republic of Crimea is a part of the state of Ukraine and determines its relations with it on the basis of a treaty and other agreements."

In defending their Constitution, the statehood of the republic, and their rights, the citizens oppose unbridled Ukrainian nationalism and want to see the Republic of Crimea as a bridge of friendship between Russia and Ukraine.

I am confident that the citizens of the Republic of Crimea realize they are a unified multinational people. They demonstrated this in the referendum of 20 January 1991 and during the collection of signatures for the conduct of a general Crimean referendum on the status of Crimea in the spring of 1992, and afterwards in the period of free elections of the president and Supreme Council of Crimea, and also in the all-Crimean poll of 27 March 1994. They are capable of making well-reasoned, responsible, and united decisions, and they will not turn from the chosen path, but will give a fitting reply to any attempts to deprive them of their inalienable right to independently decide their fate in accordance with internationally recognized norms.

Dear friends, citizens of the Republic of Crimea!

I greet you on this important date in the history of our state—Republic of Crimea Constitution Day!

I wish you a dignified life and prosperity for your families.

We will recall our State Motto: "PROSPERITY—IN UNITY!"

The prosperity of Crimea, and of Ukraine as a whole, depends in equal degree on the unity of the fraternal Slavic peoples, and most of all—on unity with Russia!

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Referendum To Question Constitution Only

954F2239B Simferopol KRYMSKAYA PRAVDA in Russian 5 May 95 p 1

[Article by T. Ryabchikova: "Protest. And More Protest? Session of the Supreme Council of Crimea"]

[FBIS Translated Text] As is well known, on 25 April the Supreme Council of Crimea adopted the decree "On the Conduct of a General Crimean Referendum" on the Constitution that Kiev had abrogated. Within a day V. Datsyuk, procurator general of Ukraine, protested this decree as being inconsistent with the laws of Ukraine and proposed to abrogate it.

I will explain that the protest "suspends the action of the protested act" (i.e., the preparation and conduct of a referendum by the Central Electoral Commission) and is subject to compulsory examination by the Supreme Council of Crimea in a 10-day period from the time of its receipt. In this period the Procuracy General of Ukraine will have to be informed of the results of the examination of the protest.

But what if, putting it in legal language, it declines to examine this protest? In such a case, the law states, the Procurator General then submits a statement to the president of Ukraine or to the Constitutional Court of Ukraine (which does not yet exist). In addition, it is not difficult for the Supreme Council of Ukraine itself to abrogate those legal acts of the Crimean Parliament it considers incongruous with Ukrainian legislation.

In a word, this "cat and mouse" game can go on forever in different variants. And it is very unfortunate that the Supreme Council of Crimea did not remove the moratorium from our referendum which endured so much. Then we would be invulnerable, and we would also be able to defend the Constitution and conclude a treaty on the demarcation of powers. I defended and continue to defend such a point of view.

But we will have to get out of the difficult situation that has developed. In the decree that was adopted, the Supreme Council of Crimea partially satisfied the protest of the Procurator General of Ukraine, and made a change to its decision "On the Conduct of a General Crimean Referendum." The ballot for the voting (if, of course, it is held) will contain only one question: "Do you approve the Constitution of the Republic of Crimea that was abrogated by the Supreme Council of Ukraine in a unilateral procedure on 17 March 1995." Fifty-two deputies voted for such a decision. The voting was by name.

Decline in Democratic Influence Chronicled

954F2193A Kiev MOST in Russian 24-30 Apr 95 No 16, pp 4-5

[Article by Vyacheslav Pikhovshek: "National Democrats at a Turning Point"]

[FBIS Translated Text] At a time when the first attempts are being made in Ukraine to switch to normal market management and debate continues among various political forces on the possible ways out of the crisis, the once influential national democrats have somehow lost their way in the topical disputes. Although it cannot be said that the government and office of President Leonid Kuchma are ignoring the center-right political parties, representatives of the authorities are increasingly giving preference to discussions not with the party leaders but simply with the political activists influential in these parties.

The times when the national democrats would assemble in all corners of Ukraine large public meetings, when the "Lvov Bandera-ites" would intimidate the ordinary folk of East Ukraine, and when the authorities attempted to forestall each attempt by the national democrats to convey their opinions and ideas to the masses, intercept the samizdat publications, and erect barriers to the publication of the national democratic press are a thing of the past. Today, on the other hand, although the national democrats have almost open access to the news media, their unanimous "we approve" as regards the policy of Leonid Kuchma is of interest only to future historians of the national liberation movement, and their slogans are reminiscent, at best, of the nostalgic times of the first days and months of independence. Contemporary Ukrainian history has played a cruel joke on the national democrats: With their slogans others once acquired power and others are now embodying the concepts they proclaimed, consolidating independence and building a market economy, not paying much attention to the painless bites and ardent kisses with which some leaders of once influential political forces are unsystematically showering the authorities.

How They Become Outsiders

One of the favorite expressions of the now "repressed" classical author of Marxism—the "most bearded prophet"—is as follows: "The key to the anatomy of the monkey is the anatomy of man," that is, it is easier to understand a particular phenomenon when you know the end result. In order to understand how it was the national democrats who came to play the part of extras we need to recognize the situation that they are in now.

On 4 March 1995 Vyacheslav Chornovil, leader of the People's Rukh, declared in a press interview that "the

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fact that the NRU [People's Rukh of Ukraine] did not nominate a candidate for the presidency at the last elections was a big mistake, which should be rectified at the next elections." The leaders of the Ukrainian Republican Party announced at roughly the same time a switch to opposition to the authority of President L. Kuchma, and even more right-wing political parties are vying with one another in censuring the president for pro-Russia "inclinations." Realizing that in Leonid Kuchma's place they would be pursuing the same moderate-centrist foreign and domestic policy line, the most realistic politicians among the national democrats are preferring, rather, to complement the president than to counterpose themselves to him. All national democrats are united by one thing here: so-called "selective opposition" to the president's decisions—a proposition which is a typical specimen of the logic of Ukraine's national democrats, conceptually reminiscent of "partial pregnancy"—we partially support, partially do not.

Some observers discern the sources of this "logic" to be 1989, when Zinoviy Krasivskyy, an activist of the Ukrainian Helsinki Union (UHU), quit the UHU as a sign of protest against its "confederative" line in respect to the former Union and in time formed the DSU (State Independence of Ukraine association), others, the sharply worded 1990 conflict between Levka Lukyanenko and Vyacheslav Chornovil over of the "federative views" of the latter, a conflict which led to V. Chornovil's withdrawal from the UHU and which showed that the national democratic movement was not adhering to the rules of democratic pluralism in its own milieu. But it may be regarded as an actual fact that the policy of cooperation with the nomenklatura had taken shape fully in April 1992, when the leaders of Rukh at that time made public for the first time the decision to cooperate with the L. Kravchuk nomenklatura. On 10 April 1992 representatives of the People's Rukh of Ukraine met with President of Ukraine L. Kravchuk, and, as Ivan Drach, cochairman of the NRU, announced in the press, this meeting dealt, inter alia, with "the necessity of appointing locally, in case of need, from the ranks of the national democrats deputy representatives of the president for humanitarian matters, for interfaith conflicts, and so forth." It was at that time that L. Kravchuk began with the pro-nomenklatura wing of Rukh and the Ukrainian Republican Party to come to an agreement on the candidates for his representatives, giving them certain important positions in the machinery of state. It is no secret that L. Kravchuk had, in fact, no intention of ceding the most important positions and that the Ukrainian Republican Party people were gradually isolated by the nomenklatura surroundings in which they had fetched up. The imitation of being in power was sufficient for many national democrats, for that matter, and Yuriy Badzo, a leader of the Democratic Party of Ukraine, and Levko Lukyanenko even thought up a reassuring form for this "combination": "The Ukrainian state will be built not only by nationalists but also by the powerful class of the former Ukrainian communist Soviet nomenklatura.... We need...to interpret this choice seriously, we need...to believe in it."

The "modest charm of the nomenklatura" played its part also: The interests of its power overseas were represented by the former dissident Levko Lukyanenko and the writer Roman Lubkivskyy; people considered leaders of the national democratic movement became advisers to the president of Ukraine and began to undertake an immoderate defense of his position. It is interesting that any anti-Kravchuk actions in this environment encountered the strict resistance of its leaders; we may as an example recall the expulsion from the Ukrainian Republic Party of S. Khmara, the opposition to the activity of V. Chornovil, and the liquidation of Rukh as a realistically multiparty political association. The People's Rukh of Ukraine—a once influential political organization, which, it seems, continues to exist thanks, virtually, to the vestiges of its past influence—fell apart precisely as a consequence of this lengthy erosion, which was logically crowned by the creation of the Congress of National Democratic Forces.

Apologia for the Past: 'Writers' and Dissidents

The present figures of the national democratic camp are finding their own explanation of what happened to the People's Rukh of Ukraine. People's Deputy Yevgeniy Pronyuk: "I see factors of an objective nature here.... The Rukh we had created earlier was necessary to unite all who were opposed to the communist regime. Then, following the collapse of the Soviet Union, this organization had accomplished its purpose, and a political party that is linked with the former Rukh only by name took shape on the basis of it."

This is to a considerable extent a common viewpoint for quite a wide range of national democrats who have quit Rukh, although some of them are emphasizing, not without foundation, that it was the NRU which secured a situation wherein moderate communists and moderate anticommunists found themselves to be not all that much dissociated from each other. "Rukh's great contribution," former Vice Premier Nikolay Zhulinskyy says, "was that this organization was truly a consolidating force for Ukrainian society and that room was found there for all: both communists and nonparty people. Rukh's contribution is, further, the fact that society was able to negotiate comparatively painlessly the mo-

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ment of determination of the political interests of each." "Rukh arose like the wind, and all that was alive was lifted up," V. Yavorivskyy, chairman of the Democratic Party of Ukraine, says, "and then another political stage, the stage of the loosening of the old political system and transition to a multiparty system, began."

The temporary consolidation of the efforts of those who "loved Moscow like their own mother" (D. Pavlychko) and those who had spent years in camps undoubtedly performed a positive role in the fact that former figures of culture from near-nomenklatura circles were able to realize their possibilities not only in the field of literature. The fate of these writers—D. Pavlychko, I. Drach, V. Yavorivskyy—who once exerted considerable effort in immoderate eulogies of the communist system, could be the subject of a separate psychological study—with regard to the personal tragedy of split personality that each has had to endure in the search for himself. And when we hear yet again about the mistakes and inconsistency of the "writers," it is worth remembering that listening to these people and understanding what they are actually saying are not always one and the same thing.

The majority of the ex-Rukhites places the responsibility for the elimination of Rukh's "multiparty nature" on its present chairman Vyacheslav Chornovil. "Far from all political parties were formed on the basis of Rukh, the first party in Ukraine was the Ukrainian Republican Party," Oles Shevchenko, a leader of the URP [Ukrainian Republican Party], says. "Rukh successfully performed the role of unifier for a long time, but this organization's subsequent path is open to dispute. In my view, Rukh could have been preserved as an association of political parties." "There was nothing surprising about a split in Rukh," V. Yavorivskiy believes. "V. Chornovil saw that new parties were being formed and decided to structure Rukh. Vyacheslav Maksimovich should, possibly, have fallen into line, not have attempted to stand on his tip-toes."

The present Rukh figures have their explanation of why Rukh ceased to be a multiparty association. "Some people attempted to preserve Rukh as a general force," Rukh Chairman V. Chornovil says, partially acknowledging the veracity of the arguments of his opponents, "we, however, endeavored to create a new party, a party with the greater independence of the regional organizations and with a lesser degree of compulsoriness, and we conducted an experiment— we switched a mass-'front'-type organization onto a party track."

V. Chornovil terms the most important mistake of the national democrats the "gamble" on the national nomenklatura. "There were opportunist considerations," he continues, "and political structures 'adapted to Leonid Kravchuk' were created, which, in turn, was the result of a more general mistake—the fact that we all relaxed the pressure after the proclamation of independence, became atomized in all-forgiveness, and gave preference to the nomenklatura, which merely painted itself a different color. There were many people in the leadership of Rukh who had served the former nomenklatura. I do not deny these people's patriotism, I am speaking about their style. This mentality of part of the former leadership of Rukh probably influenced the formation of a kind of theory borrowed in part from the twisted-and-turned V. Lipinskyy—the unification of the nomenklatura and the democratic forces for the building of the state. This was the fundamental error. The former dissidents are characterized by a particular conservatism of thinking, and many of them are not flexible politicians. Mykhaylo Horyn's statement of opposition to the activity of Leonid Kuchma is further evidence of this."

National democrats outside of the NRU categorically disagree with this viewpoint. "Preparing one's ground to suit Kravchuk," V. Yavorivskyy says, "is to some extent a jesuitical phrase, I never served the nomenklatura." "I consider somewhat simplistic the approach that claims that the Congress of National Democratic Forces was created to accommodate the personality of then president Leonid Kravchuk," Oles Shevchenko maintains. "And even had some association accommodated to the president been created, there is nothing wrong in this, in my view, for the president should rely on some political force in the state. I believe that the second president of Ukraine also should cooperate more closely with the democratic forces, not declare as his base and support merely the work force."

Whatever, the period of mutual recrimination among the national democrats is, it would seem, becoming a thing of the past. The last bout of the "anti-Chornovil" attack was L. Lukyanenko's current affairs piece immediately following the elections in VESTI IZ UKRAINY. The truth about the path that Rukh has trodden, however, most likely lies somewhere in between the words of V. Chornovil and V.Yavorivskyy. The idealization of a particular political line is characteristic of both politicians.

Qualitative Result of a Quantity of Mistakes

It would seem that the reasons for the political fiasco of the national democrats (and it is thus that the achievements of these political forces at the 1994 presidential and parliament elections may be categorized) lie somewhat deeper than personal relations and personal ambitions, which may only partially explain their loss of once quite decent positions. Truly, an essential reason

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for the constant problems which the national democrats are constantly encountering is the distrust of their own forces and a panic reluctance to broaden the circle of their supporters and sympathizers. The most striking example of this mistake, which has been duplicated repeatedly, are the national democrats' relations with the workers' movement, more specifically, with the democratic movement of the unions.

The standard situation in which the national democrats oppose the free trade unions is the strike. In 1990 the inexpediency of strikes was substantiated in Galicia by the inexpediency of actions against the democratic authorities and, subsequently, by the theory of the danger of strikes for Ukraine's independence. The repeated attempts to establish real cooperation between the democrats and the free trade unions ended either in the creation of a trade union under the jurisdiction of a particular political party, as was the case with the VOST, for example, which was able to escape from the diktat of the URP far from in the first year of its existence, or (more often) in the democrats pointlessly and groundlessly pinning on the free trade unions the most improbable "labels" of, for example, "separatists," as was the case, for instance, in the statement of the URP leadership of 2 July 1992 signed by Nikolay Horyn and Nikolay Porovskyy. "We recognize that anti-Ukraine antistate forces both within the country and outside...are taking advantage of the growth of social tension for their own ends," the statement says, "and the strikes of the miners and the employees of certain branches of industry in East Ukraine and the ill-considered monetary policy of the Supreme Council and the government have struck a palpable blow at our economy." Attempts to set one part of the Ukrainian people against another sometimes showed through in the national democrats' criticism of the free trade unions, as, for example, at the time of the strike in September 1992, when Rukh talked about "the focus of the demands of the strikers for satisfaction of their material requirements...at the expense of other strata of society." During the strikes of the following summer the tone of the national democrats changed somewhat: "We place our hopes in the fact that in this adverse situation forbearance and due consideration will not desert the miners" (statement of the NRU of 11 June 1993). In September of that same year 18 political parties and trade unions took part in the Congress of Political Parties, Trade Union Organizations, and Trade Union Associations, which was addressed by Rukh Chairman V. Chornovil and Oleksandr Mril, chairman of the NPG [Independent Mine Workers Union] of Ukraine and which culminated in the signing of the "Cooperation Agreement."

This essentially concluded the brief period of cooperation of the national democrats and the democratic trade unions. Neither Rukh nor other political parties supported the strike of the free trade unions of 18 January 1994.

The constant conflicts of the national democrats in their own sphere, their unsuccessful cooperation with the free trade unions—all these are things of the same order, which testify that the aspiration to subordinate some public organizations to others and, in the long term, to head them has remained strong among the national democrats. Such a style, which the unions very often call "neo-Bolshevism," has been combined with an almost instinctive fear of organizations which are united not by the national but the social, trade union, idea. This style has made its way via charges of "sausage mentality" and "misunderstanding of the needs of the state" and preserves its main features still.

Unless the Outsiders Give Way, They...Are Simply Disregarded

The fragmentation of the national democrats at the elections and their chaotic casting about between the "guarantor of harmony" Leonid Kravchuk and the "leader of the revival" Ivan Plyushch could be a subject of research once again only, perhaps, for historians and specialists of spheres not that far removed from medicine. The results of these castings about are common knowledge: both L. Kravchuk and I. Plyushch lost, Rukh obtained 27 seats in parliament, and a further 29 deputies ideologically close to the URP joined the Derzhavnist faction—far fewer than the People's Council once had. The Reforms faction, which will possibly succeed on certain issues in continuing the line of the national democrats, has detached itself from the national democratic wing.

We cannot fail to note that the national democratic movement is attempting to find new forms of existence. The creation of a number of publications of a national democratic nature and numerous foundations and the stimulation of purely party work with the inclusion of a certain personnel replacement may be seen as the first steps toward gaining winning chances at new elections and as an aspiration to fundamentally restructure activity with regard to the demands of the times. On the other hand, a tremendous number of structures living as parasites and earning their living exclusively by the use of the as yet unsquandered authority of individual leaders, whom these structures are attracting onto their various watchdog councils, has arisen around the national democrats.

The Republican Party's situation is the worst from this viewpoint. On the one hand the party of former civil

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rights activists and political prisoners exerted immeasurably more efforts compared with other political formations for Ukraine's acquisition of independence. On the other, however, new political capital is not earned by old contributions, and this is the oldest political party in terms of age of the leadership, and control of the former is still exercised by way of command, with reference to the authority of the leadership. The "freeze" on URP membership at the 15,000 level for quite a lengthy period of time is also an indicative fact testifying to the crisis in the party.

The crisis is noticeable in Rukh also; it cannot be concealed even by the numerous actions to which the NRU is trying to impart a broad social resonance like, for example, the "Agrarian Policy of Ukraine" workshop. Those who quit Rukh relatively recently, in particular, testify to the prolonged crisis in the milieu of this party. "The reasons for my departure from Rukh," People's Deputy Serhiy Holovatyy says, "are quite objective: Rukh is played out and is driven by the problem of leadership." S. Holovatyy adduces many examples of how he was impeded in his political career by representatives of his former party. Serhiy Odarich, a former functionary of this party, has left Rukh also. V. Chornovil has his own explanation of what happened: "There were attempts to create a party based on the Reforms parliamentary faction, but they came to nothing—the people there are all too different," he says. "Serhiy Holovatyy has not yet 'taken shape' as an organizer, and Serhiy Odarich never was any kind of political figure for me, rather he introduced total disorganization in Rukh's activity."

Whatever the case, the NRU is, it seems, gradually recuperating. "Rukh will move toward conversion into a center party of a national scale, but of a more right-wing orientation," People's Deputy of Ukraine Les Tanyuk, member of the NRU Board, says. The arrival of Bohdan Boyko in the Rukh Secretariat is important. B. Boyko's administrative work experience in the office of chairman of the Ternopol Oblast Council will surely come in handy for Rukh. Thus the assertions of some political leaders that Rukh remains a circle of persons with narrow corporate interests is gradually being refuted.

But even this certain "recuperation" of the most influential political force of the national democrats is not imparting tangible optimism as yet. The national democrats will continue merely to comment on the actions of the authorities, remaining deprived of real levers of influence on the foreign and domestic policy of Leonid Kuchma. The position of Yuriy Kostenko, the highest-ranking of the national democrats, minister of environmental protection and member of the National Security Council of Ukraine, is interesting from this viewpoint. "Rukh was the basis for the creation of democratic organizations, but a difficult period of self-searching began after the proclamation of independence. It is evident that Rukh has partially lost the intellectual potential that it had acquired earlier and that Rukh is attempting a 'shift' to the right." But Rukh's main problem, in Mr. Kostenko's opinion, lies elsewhere—the people of the NRU are not, from his viewpoint, prepared to assume the responsibility of day-to-day routine work not for themselves and their party but for statehood. "Let each national democrat," Yu. Kostenko says, "assume some specific responsibility."

But an even more important command of the times, possibly, is that the national democrats finally recognize their own mistakes, recognize the erroneousness of the "narrow gamble" only on their own circle, desist from censure of the "sausageness" of all the others, and be able, finally, to begin cooperation both among themselves and with other democratic forces. Otherwise a requiem will soon be playing for the national democrats.

Media Briefed on Humanitarian Policy Concept

WS0905111895 Kiev KYYIVSKA PRAVDA in Ukrainian 5 May 95 p 1

[Report by H. Pyvovarov: "Concept of Humanitarian Policy"]

[FBIS Translated Text] At a regular briefing at the Ukrainian Presidential Administration on Wednesday, the president's staff was represented by Doctor of Philosophy Professor V. H. Kremen, chief of the Ukrainian Presidential Administration Service for Issues of Humanitarian Policy. He spoke to media representatives about Ukraine's first concept of humanitarian policy which is being developed currently.

The country is going through a historical period, a characteristic feature of which is the transformation from a state of a region subordinated to the former Soviet Union into an independent country; from authoritarian rule with heavy-handed control over the economy into a democracy with a free market economy. An individual, his life, his physical, intellectual, spiritual, and cultural development is going to be at the center of attention of the state's humanitarian policy.

Currently, one of the most urgent issues is the problem of the Russian language in Ukraine. As V. Kremen admitted, Russian culture in Ukraine is an asset to the entire Ukrainian state. The problem of the Russian language is very important but not crucial and "it has been resolved to a certain degree." Abnormalities are being eliminated: Free use of the Russian language is authorized. The leadership of the state is inclined to

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grant local councils the right to declare it an official language on their territories.

Asked by KYYIVSKA PRAVDA about possibilities of developing science and resolving environmental problems, the chief of the Service for Issues of Humanitarian Policy responded that science currently cannot be "sustained" by the state in the existing scale. Therefore, there is a need for a structural transformation and reorientation of scientific research. The environment of the country is also in a very sad state. Regarding this issue, everything will depend on the amount of financial support, and material resources allocated for environmental protection, as well as for replacement of equipment and technologies in industries. As we know, the situation regarding the aforementioned matters is very dramatic in Ukraine. Moreover, I think, that there is no chance of obtaining due budgetary compensations.

Economic Issues

National Bank Issues Currency Operations Licenses

WS0905081695 Kiev UKRINFORM in English 0720 GMT 9 May 95

[From the "Current Events" feature]

[FBIS Transcribed Text] The National Bank of Ukraine's Chairman Viktor Yushchenko has said that not more than 500 firms will be issued with licenses to trade and provide services for payment in foreign currencies.

The current licenses issued to enterprises will expire on May 16 and they must all be re-registered. The main criteria for issuing new licenses remain a monthly turnover not less than $70,000 and the undertaking on the part of licensees to accept payment in Ukrainian karbovantsi for services provided by them if clients so wish.

As of today, the National Bank of Ukraine has issued about 1,900 licenses to firms whose combined turnover make up 9 percent of the total goods turnover in the country.

Besides, the National Bank of Ukraine is planning to push through parliament a legislation abolishing payment settlement in foreign currency between Ukrainian subjects of business activities. First and foremost, this will apply to payments for natural gas — mainly to Ukrhazprom and Ukrhaz who are the major importers of natural gas into Ukraine.

In addition, the bank plans to relax the rules governing operations with foreign currencies at currency exchanges. It is contemplating the abolition of compulsory prepayment of contracts for purchasing foreign currencies at exchanges.

Prospects for Oil Extraction, Transport Viewed

WS1005100095 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 4 May 95 p 4

[Article by Volodymyr Kolychev and Yuriy Khlystun: "Ukraine May Drown in 'Black Gold.' Unless It Drowns in the Black Sea or Gets Entangled in Pipelines"]

[FBIS Translated Text] **Only one thing is absolutely sure about the oil and gas extracted in Ukraine: It is in catastrophically short supply, and this forces our government to incur debts which, as has now become clear, will be repaid over many long years. But is the situation so hopeless? It is possible that the future oil terminal in Odessa will economize some costs in the Near East direction, but the problem cannot be resolved by the terminal alone. One will have to pay for this oil, too, and, possibly, in a more systematic way than for Russian oil. Where are our own energy resources? In a number of articles, we have familiarized our readers with opinions about this by scientists and geologists, as well as industrialists and traders.**

The First Direction — Crimea

Search for an energy cure-all on the peninsula may seem to be one more whirling idea, such as that to utilize hydrogen sulfide emanated by the seabed. To pass "dead water" through regenerative stations and obtain fuel for thermal electric power plants. A fantastic idea? For the next few decades at least — absolutely. The second hope lies in "frozen gas" — gas hydrates from the sea bottom. There is an exploration program and enthusiasts from the "Asso-Unity" company. The problem is approximately the same as with opening a bottle of cider made in Ukraine: As long as you do not touch the cork, the contents are safe. When the bottle is opened, three-fourths of the contents disperse into the air. The same applies to gas hydrates, except for the additional threat of explosions. So there remains the shelf of oil and gas.

As of today, Ukraine has prospected only 3 percent of its estimated oil and gas deposits in the Black Sea. In the next 10-15 years, however, things are not likely to move from a standstill, because Ukraine has only two drilling rigs capable of working at depths of less that 80 meters. This is the opinion of Lev Kurylyuk, chief of the Main Department for Oil and Gas in the Ukrainian State Committee for Geology. No less than ten years ago, however, the world still used about 6,000 platforms to extract oil and gas from the sea. There were also Ukrainian platforms among them. Before a plant to produce drilling platforms was built in Azerbaijan, plants of the former Ministry of Installations

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and Special Constructions [Minmontazhspetsstroy] used to construct such rigs (even though they were not deep-sea platforms) for several years and they were used in the Caspian Sea. Perhaps it is reasonable to remember this practice. Romania, with help from the Americans, has already been extracting Black Sea oil for a long time and, most likely, from a "reservoir" shared with Ukraine. Therefore, the Ukrainian State Committee for Geology and Exploitation of Natural Resources is planning to announce a government tender this fall for foreign projects with regard to the exploitation of Black Sea deposits.

According to Vasyl Yevtukhov, president of the Ukrainian Union of Industrialists and Entrepreneurs, a program for supplying Ukraine with hydrocarbon raw materials envisions the opening of several hundred wells that were economically unprofitable in the past. Even the possible extraction amounts are mentioned — approximately 30 million tonnes of oil annually (with the total demand standing at 40-45 million tonnes).

The Place of Crimea in an Oil Money-Box

There are no large deposits of oil and gas on the peninsula itself. Exploitation of the Semenovskoye oil deposit still continues, but the extraction does not exceed 15,000 tonnes (while Crimea requires no less than 3 million). It has been planned since long ago to ship this oil to Kherson or Lvov for processing. For the time being, however, it is used as furnace fuel in boiler rooms.

By the end of 1994 and in the beginning of 1995, powerful Ruslan transport planes supplied modern equipment to Simferopol, which will be used by the Krymtekhasneft joint venture (Krymgeologiya and the U.S. Hightexplor) to extract "black gold" from the Aktashskoye deposit. Its geological oil reserves amount to 1.6 million tonnes. Next in line are the Priozernoye (376,000 tonnes), Borzovskoye (169,000 tonnes), and Voykovskoye (70,000 tonnes) deposits. With U.S. help, the Crimeans are hoping to increase the yield of their deposits twofold, but one cannot squeeze too much oil from a small deposit. No "oil Klondike" can be expected here.

The Shelf Is a Different Story

The continent shelf is that part of a country's mainland which extends out into the sea. Its depth does not exceed 200 meters. According to data from the NIPIshelf [expansion unknown] Institute, there are 2.4 trillion cubic meters of reference fuel [uslovnoye toplivo] in the Black Sea and Azov Sea shelf. According to Mykola Ilnitskyy, first deputy general director of the Chernomorneftegaz state enterprise, 245 [geological] deposits have been discovered with possible concentrations of hydrocarbons, including 23 deposits already prepared for deep drilling. One circumstance should be noted here: While the level of utilization of the Carpathian oil-and-gas-bearing region and the Dneprovsko- Donetskaya recess [vpadina] amounts to 47 and 57 percent respectively, the same indicator for the Azov-Black Sea region does not exceed 2.5 percent. This is primarily due to the fact that Chernomorneftegaz has until recently had only one floating self-docking drill rig, this "Sivash," and even this rig can only work at depths of less than 75 meters.

Gas from the Black Sea shelf is already being extracted from three gas condensate deposits — Golitsynskoye, Arkhangelskoye, and Shtormovoye. The extraction of natural gas amounts today to 1.6 million cubic meters per day. After putting into operation the Tavrida installation built by Kherson shipbuilders, there will be eight more boreholes made at the Shtormovaya-17 platform over the next two years, and then the extraction of gas from the shelf will amount to 2.2 million cubic meters.

"Delfin" and the British

Oilmen did not absorb themselves in "discovering America" — they have found foreign investments. At the beginning of 1994, Chernomorneftegaz and Britain's J.P. Kenny created a joint venture — the Crimean Oil Company — for prospecting and extracting oil and gas from the Black Sea shelf. The British are planning to begin drilling the first exploratory hole at the "Delfin" structure already this year. In addition, all exploratory work will be carried out at their own risk, that is, in the event of a negative result all expenses will be covered by the British partners. "I am sure that the shelf is rich [in oil]," Mr. Ilnitskyy noted on his behalf. "The British will open a window for Crimea and this will provide an impulse for exploiting the shelf."

The "Delfin" project is also notable for the fact that it envisions the construction of a gas processing complex in Chornomorsk with the British company's money. Even now, gas stoves in Crimea continue to burn lighter natural gas, which can be used for the production of liquefied gas, gasoline, kerosene, and diesel fuel. It is planned that the first phase of the complex's construction will be completed in 1996; the complex is intended to process 3 million cubic meters of gas and [gas] condensate per day. Since the facility will be profitable, Europe's major banks — which, as is known, do not fling their money around — are ready to subsidize its construction.

Crimea an Oil Exporter?

Last year, the Swiss firm SBM [expansion unknown] expressed its readiness to help selling — at world prices,

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of course — oil extracted from Ukraine's mainland. This is the very firm that has obtained the right to construct the sea-based portion of the Odessa terminal. Firm manager Hans Perebum said after signing the contract with the State Committee for Oil and Gas: "It is possible that we will meet again in a year, but this time in Crimea." His partner is the above-mentioned J.P. Kenny company. This explains everything.

The appearance of the first oil-receiving sea terminal will become only an addition to the oil business gaining momentum in countries of the Black Sea region. Georgia is striving to begin exploiting rich deposits along the Batumi coast as soon as possible. Russia, which now owns only 550 km of the Black Sea coastline, is nevertheless intending to build, by efforts of the Neftegaz joint stock company, a port with a terminal at the southern tip of the Tamanskiy peninsula to receive shipments of propane-butane mixtures — companions of shelf oil. In addition, Russia reconstructs the port in Novorossiysk to receive Caspian oil; Russia still hopes to transfer this oil and takes, so to say, many untraditional steps toward this end. Even though, according to estimates by the Institute of Oceanography of the Russian Academy of Sciences, revenues from 100 km of clean sand beaches are able to exceed profits from the export of 1 million tonnes of liquefied oil by many times, the second option prevails all the same.

All this is directly related to Crimea and its future. "Harnessing" Crimea into the transnational oil-and-gas business, which includes not only the extraction proper but also the reexport and transportation of foreign oil, is the most reliable way to leave the peninsula within the zone of certain influences.

Will the Oil Pipeline Under the Kerchenskiy Strait...Build a Bridge?

An unusual but powerful instrument for these games may be provided by an idea proposed to the Crimean Government by Volodymyr Sheludko, an engineer from the Kievan "Ukrmetrtonnelproyekt" Institute. He was a designer and builder of underground facilities in Sevastopol and at YuBK [expansion unknown]. He now proposes to build a railway tunnel through the Kerchenskiy Strait first, and next — a less expensive bridge for motor vehicle traffic. Time and money may be saved in this way. It turns out, however, that a pipeline may also be laid in a separate section; its use may provide a possibility to earn funds for the bridge. But this may happen only if the pipeline begins to supply oil (or gas condensate) to Crimean terminals.

Protests by the Greens against the unavoidable death of the Black Sea as a health resort region, if the idea of "big oil" prevails, reverberate both in Russia and Crimea. Ideas of expanding the network of oil-receiving terminals around the peninsula were actively discussed already in the times of the Soviet Union. A small terminal in Feodosiya and a naval one in Sevastopol (not taking into account refueling piers) are rather insufficient for profitable business. Therefore, oil extracting autonomous republics of the Russian Federation are looking closely at Crimea. As far back as a year and a half year ago, the authorities of Tatarstan were greatly interested in an idea to construct a terminal (either on the Azov Sea coast or in Crimea) for exporting their oil. In addition, according to Serhiy Vyshnevskyy, president of the Ukrmontazhspetsstroy corporation, "our installers are building, on orders from commercial structures, several small oil-receiving terminals around Odessa. I think that there will in time appear more than one terminal in Crimea."

Oleksandr Todiychuk, director of the Institute of Oil Transportation, told us that they received orders from several companies to conduct feasibility studies of small terminals in river estuaries that can be reached by "river-sea" tankers. Moreover, there are plans to reequip existing dry-cargo piers to enable the receiving of oil products or to transform them into railway piers for pumping fuel into coastline reservoirs. The sea port in Mykolayiv wants its "slice of the pie," too. In early February, an offer was sent from there to domestic and foreign entrepreneurs to take part in the construction and joint use of an oil transshipment complex, the turnover of which will account for no less than 10 percent of Ukraine's oil demand. The point here is rather in receiving oil, because the terminal will be made into an ore transshipment complex, which is standing idle due to the blockade of Danube and a drop in demand for domestic ores.

In short, an attempt to take even a small portion of those 13 million tonnes of Russian oil — which, according to Odessa mayor Hurvits, the local oil harbor shipped abroad in 1994 — reminds one of those sequences of "The Republic of ShKID" movie, where hungry juvenile delinquents persuade a market-woman to share her food.

Aside from those ready to do business in redistributing the flow of energy resources, however, Ukraine has also those who know how to supply these flows with our own oil. This will be the topic of our next report.

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Crimean Industrial Indicators Decline

954F2231B Simferopol KRYMSKIYE IZVESTIYA in Russian 29 Apr 95 p 1

[State Committee for Statistics of the Republic of Crimea report: "Crimea's Socioeconomic Position in the First Quarter of 1995"]

[FBIS Translated Text]

Industry

Industrial production in the first quarter of 1995 declined compared with the first quarter of 1994. The steepest decline in industrial production occurred at enterprises of the following branches: light industry (59.4 percent), machine-building and metal working (45.4 percent), glass industry (39.2 percent), and construction materials industry (26 percent), and of the cities of Alushta (56.9 percent), Yevpatoriya (48.6 percent), and Feodosiya (39.6 percent).

There was a decline in the production of engineering equipment for the processing branches of the agro-industrial complex, medical equipment, instruments, and means of automation. In the iron and steel complex the manufacture of steel declined by 149 tonnes or 75.6 percent. There was a decline in output in many works of chemical and petrochemical industry. The decline in the manufacture of lumber by enterprises of light industry was 81.8 percent.

The generation of electric power in the first quarter of the current year declined 3.6 percent.

Enterprises of fuel industry operated more successfully than in other branches: 12,700 tonnes of oil (including gas condensate) were produced, this constituting 142.7 percent in relation to the first quarter of 1994; as were 152.8 million cubic meters of natural gas—103 percent. The balance of coal as of 1 April 1995 for the main consumers constituted approximately 60,000 tonnes, and of furnace fuel oil, 34,000 tonnes, or 72.9 percent and 98.9 percent of the balance on 1 April 1994. Compared with the start of the heating season (1 October) the balance of coal and furnace fuel oil has declined by 50 percent.

Compared with the first quarter of 1994 more than 60 percent of the enterprises that were using secondary raw material have reduced the use of it. The use of textile material has declined more than 90 percent, of waste paper and coal-production and coal-concentration waste, by almost 50 percent, and of solid household waste, by one-fourth. No use was made of ash and ash-cinder waste in 1995. At the same time there was an increase in the use of broken glass, limestone waste, and wood waste.

As a consequence of the reduction in funding, the deterioration in material and technical resources, and the decline in the numbers of scientific specialists, there was a decline in all the main indicators of scientific and technological activity.

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Kazakhstan

Nazarbayev Emphasizes Friendship in VE Day Speech

LD0905141295 Almaty Kazakh Television First Program Network in Russian 1100 GMT 9 May 95

[FBIS Translated Excerpt] Thousands of people of Kazakhstan from different corners of the country have gathered on the main square of the republic to mark this significant date.

[Begin Nazarbayev recording] Today is a sacred day for everyone. A sacred day for all the people of Kazakhstan. A sacred day for all the peoples of the CIS. A sacred day for the whole world. I have participated at the head of a delegation in ceremonies with over 80 heads of states in London, Paris, and Moscow, at the invitation of the heads of state of the anti-Hitler coalition. Everyone spoke about the decisive contribution made by the former Soviet Union. Everybody spoke about the decisive contribution made by the Soviet Army.

I think that we always must remember that the friendship of the peoples won the war. The brotherhood of all the republics of the former Soviet Union triumphed. We sons of those victorious fathers must always remember the friendship that grew in the trenches, and during the post-war reconstruction of the country. We must always remember that there is nothing greater than friendship among people, regardless of their nationality. There is nothing greater than tranquillity, than peace, than creative work.

That is why we must give no scope, no way forward to chauvinism and nationalism, fascism and anti-Semitism. Our path lies through integration, friendship with all the states of the CIS, and within multinational Kazakhstan.

I greet all the war veterans of Kazakhstan on this wonderful day, those for whom our country, our state is trying to do everything possible despite all the difficulties! I greet all the people of Kazakhstan, all our citizens on this holiday! We will care for our veterans not only on today's festive day, but always. We will also always remember that the patriotism of our fathers saved our homeland! I call on the young people to learn from this patriotism, to learn to love their homeland, to love their state, their homeland, and to be always ready to defend the independence of their people, their country, and the integrity of their land! Happy holiday! All the best to you all! [end recording] [passage omitted]

Nazarbayev: Allies Only Now Fulfilling Obligations

LD0905135895 Moscow ITAR-TASS in English 1307 GMT 9 May 95

[By Vladimir Akimov]

[FBIS Transcribed Text] ALMATY, May 9 (Itar-Tass) — Only now, after the end of the decades-long Cold War, former allies in the second world war are entering a hard path towards the fulfillment of obligations they failed to fulfill after 1945, towards confirmation of their adherence to the cause of peace and progress, freedom and democracy, Kazakh President Nursultan Nazarbayev told a ceremonious meeting on the occasion of the 50th V-day here today.

"Kazakhstan is stretching out a hand of friendship to all states ready for an open and honest dialogue," stressed the President. He assured the meeting that his state "will be striving to prevent even a minor possibility of return to the totalitarian past and do its best to spare the planet Cold or 'Hot' wars."

Nurtay Abykayev on Presidential Apparatus

954F2235A Almaty NOVOYE POKOLENIYE in Russian 5 May 95 p 3

[Interview with Nurtay Abykayev, head of the Office of the President of Kazakhstan, by NOVOYE POKOLENIYE editor in chief Bigeldin Gabdullin; place and date not given: "Nurtay Abykayev: 'It Is Necessary To Make the Most of the President's Time'"]

[FBIS Translated Text] [Gabdullin] Nurtay Abykayevich, I will evidently not be original if I recall that the entourage plays the king. In today's situation, when the president has taken upon himself the full weight of power, the responsibility of those surrounding him, of course, increases many times over. Could you not tell us according to what principles workers in the presidential structures are chosen?

[Abykayev] I really am traditionally asked that question. I will note the main thing: The chief requirements that we make of our workers are associated first of all with professional level, with business and moral qualities, with a creative approach to work, an ability to think in an extraordinary way and on a broad scale. I will add that we have only 242 people working with us. I think that the readers of NOVOYE POKOLENIYE may not be uninterested to learn that recently the President's Office has become dramatically younger. The average age is not much more than 40 years old. And more than 8 percent have not yet reached even the age of 30: Life itself, and the tasks of reforming society, demand that we hire people who know or who aspire to know the

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laws and mechanisms of the market. Here, of course, the young have the floor.

Perhaps they do not have an understanding of all the subtleties and all the ins and outs of apparatus work, but they know how to think in an original way.

In the collective there are three doctors of sciences and 24 candidates of sciences. We also pay attention to the economic and legal training our workers.

We try to support discipline and a businesslike, principled atmosphere in the collective, but we do not have the former rigid subordination, which at times reached the point of the absurd. The main thing is the result. After all, our main mission is to guarantee the fruitful activity of the head of state. In other words, we work for the president. Therefore, the President's Office concentrates first of all on analytical work, on elaborating strategic directions of state policy. We sort of reinforce presidential initiatives, and we pay a great deal of attention to careful legal study of the president's acts. And there is nothing strange in the fact that, for example, a consultant discusses these problems jointly with, say, a state adviser.

[Gabdullin] Historical experience shows that epochs of democratic reforms are inevitably associated with a greater openness, transparency, of the activity of the head of state and of the government, and of those who surround them. Without this, mutual understanding with the people could hardly be achieved. Who in the President's Office, and how, effects return communication with the labor collectives, the public organizations, the parties and movements? Will this work be improved?

[Abykayev] This really is a very important question. In one fell swoop, in a fit of democratic euphoria, we renounced many institutions for the study and guiding of public opinion, seeing in them because of their ideologization, sluggishness, and political tunnel vision the root of all evils. But after all, throughout the whole world there is the concept of "public relations" [preceding two words rendered in English in original]—communication with the public is always raised to the level of the most important directions of state policy.

I will tell you straight out that we lost more than a little when we at one time forfeited such a powerful political instrument. Therefore, on the instructions of the president, the structure and tasks of the President's Office have been fundamentally changed. Today, not only does the President's Office inform the head of state on processes taking place in public and political life and conduct sociological research, legal examination, and analytical work, but it also engages in long-term strategic policy directions. In other words, it does not become fixated on the events of yesterday, but strives to look further, to determine the main reference points of future policy.

In particular, this is exactly the aim of the work of the information-analytical center; the department of legislative initiatives and legal examination; the department for the guaranteeing of legality, law and order, and judicial reform; the press service; and a number of other subdivisions of the President's Office. It is the public and political department that is called upon to carry out direct return communication with public organizations and political parties and movements.

So we try to hold our hand to the pulse of life. In general, a lot of work is being done. Suffice it to say that our subdivisions are involved in the conduct of the latest major events in public life: the session of the Assembly of Peoples of Kazakhstan, the Women's Forum, the plenary session of the World Association of Kazakhs, and others. And although it is customary to call all these meetings of Nursultan Abishevich and the public dryly, as before, "events," one must still not underestimate the enormous influence that they have had on the strengthening of stability and inter-nation accord in Kazakhstan, and on the creation of an atmosphere of openness in the community and, as you expressed it, "transparency" in the activity of the head of state.

Just recently, our public and political structures, of course, did a great deal for the organized conduct of the referendum.

[Gabdullin] Yes, the referendum has been conducted. An absolute majority of Kazakhstanis took part in it and expressed unconditional trust in the president. But let us remember that not a few people asked themselves this question: Is it necessary to conduct a plebiscite when the president enjoys impressive support as it is? And why not wait for the 1996 elections?

[Abykayev] Whatever range of opinions there might have been, one must be clearly conscious of the fact that the president embarked on such a step in a fairly acute situation, connected first of all with measures for surmounting the economic crisis. Urgent implementation of the reforms, to no extent allowing for even small stoppages, lies ahead. In short, such a political situation had taken shape that it necessitated getting the people's confidence for the activation of this work.

One more important point. Given the lack of a supreme legislative organ, only the people are the supreme and only source of state power. And their word indeed turned out to be decisive at the referendum.

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It is also necessary to note that the president made his choice also in the interests of the preservation in the state of stability, inter-nation accord, and the strengthening of legality and law and order. He had and continues to have a clear position on that score, and, as we were convinced on 29 April, this position is completely supported by Kazakhstanis.

One must also take into account the fact that the head of state took the decision guided by the recommendation of the Assembly of Peoples of Kazakhstan, reflecting the position of parties and public movements, veterans organizations, creative unions, and national-cultural centers.

[Gabdullin] Judging from the polls, people, while trusting the president, express numerous grievances with respect to the administrations, which continue to work using command, bureaucratic methods, allowing red tape and arbitrariness....

[Abykayev] In the past year alone, for such methods or for frankly weak work, eight heads of oblast administrations were replaced. Major rearrangements took place in the government. In order to toughen control over the actions of the organs of state government, including the local authorities, on the implementation in the localities of the legislative acts and instructions of the president, an organization and control directorate has been created in the President's Office. It was not fortuitously that we embarked on this step. The distancing of the head of state from the government that took place at the beginning of the year brought in its wake an analogous step with respect to the heads of local administrations. In their daily work they are in increasing contact with the Cabinet of Ministers. The given directorate must become an active participant in the formulation and implementation of regional policy.

And the activity of the President's Office as well, of course, does not satisfy the demands of the times in all respects. Therefore, we aspire to improve our work, in order that it proceed in step with the progress of the reforms. I can tell you that our Office is by no means any longer that institution that the previous, administrative system fostered. In Kazakhstan a democratic, law-based state is being built, and it is completely natural that the organs of state governance are picking up increasing speed working in this channel.

[Gabdullin] And now, Nurtay Abykayevich, I would like to ask you a few short questions dealing with the internal mechanisms of the work of the President's Office and about you personally. Who besides you in the President's Office has direct access to the president? With the president of Russia, for instance, this circle is very limited....

[Abykayev] A regulated list of officials who have direct access to the president simply does not exist with us. Any worker of the President's Office can get in to see him on routine business. Undoubtedly, this proceeds from the democratic work style of Nursultan Abishevich, who is prepared to listen to any sensible idea.

The president has a work schedule. And we understand that it is necessary to make the most of his time. It would be fairly difficult to list those whom the president asks in on this or that question.

[Gabdullin] Do you have advice for the president?

[Abykayev] He consults with everyone he asks in. But since I am the head of the President's Office, I am simply obligated to express my opinion on this or that problem, and it is hard to delimit these problems' scope.

[Gabdullin] You remain an enigma to journalists. How do you explain this?

[Abykayev] Many journalists are a great big riddle themselves. Let them puzzle it out together.

[Gabdullin] Is there for you a greatest evil?

[Abykayev] Treachery.

[Gabdullin] Have you no desire to leave the President's Office and engage in some concrete business?

[Abykayev] I think that it would be hard to imagine anything more concrete than what I am doing.

[Gabdullin] Thank you for the conversation.

Tajikistan

Rakhmanov Leaves for Moscow Celebrations

LD0905062295 Dushanbe Radio Tajikistan Network in Russian 0400 GMT 9 May 95

[FBIS Translated Excerpt] President Imomali Rakhmanov of Tajikistan left for Moscow yesterday . He will take part in festivities dedicated to the 50th anniversary of the victory over German fascism. [passage omitted]

Defense Minister Emphasizes Ties With CIS

MM0905083695 Moscow KRASNAYA ZVEZDA in Russian 4 May 95 p 3

[Article by Major General Sherali Khayrullayev, defense minister of the Republic of Tajikistan, under the general heading "Victory — Our Common Destiny, Our Common Memory, Pride, and Glory"]

[FBIS Translated Excerpt] [Passage omitted] It is symbolic that the fledgling Tajik Army celebrates the day

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of its foundation 23 February along with the other fraternal armies. This year marked its second anniversary. It continues the traditions of internationalism, humanism, courage, and patriotism characteristic of the Soviet Army.

Since the day of their foundation the Tajik Armed Forces have been tempered in battle with enemies both within the country and on its borders and have been gaining experience of conducting combat operations. Despite the shortage of weapons and military equipment and problems in the supply of fuel and food they are confidently standing up in defense of their fatherland. They receive comprehensive assistance from the armed forces of CIS countries — Russia, Uzbekistan, Kazakhstan, and Kyrgyzstan. Military cooperation helps them to resolve many problems — the training of skilled specialists, the reinforcement of the stock of hardware, and the fuel supply.

We believe that all-around military cooperation with the CIS states will enable the Tajik Army to resolve many problems and occupy a worthy place among the CIS countries' armed forces. Only thus will they be able to serve as the guarantor of peace in the country and the protector of the peaceful labor of Tajikistan's citizens.

Opposition Leader Asks People to Accept Talks

LD0905122895 (Clandestine) Voice of Free Tajikistan in Tajik 0300 GMT 9 May 95

[FBIS Translated Excerpt] A message from Sayed Abdullo Nuri, leader of the Islamic Movement of Tajikistan, to the residents of dear Tajikistan. [passage indistinct]

In the name of God, I congratulate all the esteemed refugees, the mojahedin who made a shield of their bodies, and the patient Muslim compatriots, on the occasion of the blessed Id al-Adho. [passage omitted]

The enemies of the nation, using the present situation in Tajikistan, want to misappropriate everything that the nation has. In short, the nation is on the edge of an abyss of destruction. [passage omitted]

Refugees and mojahedin, your patience and resistance has woken the leaders of the present Dushanbe regime. Maybe they have woken from a deep sleep and want to come and meet you and solve the difficulties of the nation together.

I understand that you have been deceived many times by these visits and meetings, and that you cannot agree [to further meetings]. But in order to save the nation and to preserve the land of the Tajiks, and to implement God's word that says if people want peace you should agree [to peace talks] and place your trust in God. [sentence as heard] [passage omitted]

Paper Describes Opposition Strength, Tactics

LD0905161095 Almaty PANORAMA in Russian 6 May 95 p 5

["The CIS: 'Chronic Warfare' Threatens Tajikistan" — PANORAMA headline]

[FBIS Translated Excerpt] PANORAMA completes the report from its special correspondent on the results of his trip to Tajikistan, which began in the last issue.

According to official Dushanbe's assertions, the Tajik opposition has a well-organized propaganda structure and intelligence service. According to the border guards, the quality of the armed opposition forces is quite high, as well as its equipment. The guerrillas have exactly the same kinds of arms as their enemies, apart from Grad systems and helicopters. It is the helicopters that secure the smooth passage of border guard columns along the border road, and insure them against great losses. The column which was ambushed on 7 April was without air support, which cost the lives of Kazakh border guards. The main topic of discussion among the military men serving on the border and in Dushanbe is the battle in the (Pshikharvskoye) Gorge.

The guerrillas' good intelligence about the time and the route of the frontier guards' movements attracts one's attention. A participant in these events, Major Yuriy Lobachev, who has distinguished himself in battle, noted that both the guerrillas' training and battle method were highly professional. The positions chosen by the guerrillas for attacking the column were just ideal, and it is obvious that they had prepared for it beforehand. A Russian frontier-guard officer recounted that both the intelligence service and the local population warned that the guerrillas' were advancing. The column was to have been followed by helicopters, but it was non-flying weather. It would have been logical to postpone the advance of the column, but this did not happen. One cannot help paying attention to the fact that many people, who have a great deal of battle experience as far back as the Afghan War, are serving on the Tajikistan-Afghanistan border, including the Kalay-Khumb section (where the battle took place on 7 April).

The situation in Pshikharvskoye Gorge was further aggravated by the fact that there were many raw recruits in the column. The guerrillas used a classic tactic of the Afghan War, which had proven to be efficient many times: having deprived the column of the possibility of maneuvering, they methodically began shooting it down. Some trucks were destroyed at the beginning of

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the battle, while the rest were subjected to massed fire from all kinds of small arms. After the battle, the frontier guards counted about one hundred holes made by bullets and fragments in the cab-door of one of the half-burned trucks alone. The frontier guards found themselves in an extremely awkward situation — nowhere to run and nowhere to hide.

The April battle in the Pshikharvskoye Gorge displayed the general tactics of the Tajik opposition. Over the last year its armed units have been dislodged from many regions of Gorno-Badakhshan, and the border has been guarded much better. The guerrillas lost control over several strategically important gorges. Leading from right near the Afghan border, these gorges represent the shortest and the most convenient road through Badakhshan deep into Tajikistan. Along them, one can easily go on to Harm district (where the population supports the opposition to a considerable extent) and then develop an attack on Dushanbe. By controlling the gorges (one of which is Pshikharvskoye), the frontier guards disrupt the opposition's strategic plan.

There is another reason which makes activation of opposition operations in this region likely. Traditionally these gorges were one of the main corridors for shipping drugs from Afghanistan to Tajikistan and beyond to the west, including Europe and the United States. The interests of the drugs mafia may or may not coincide with the interests of the armed opposition, but are at constant divergence with the interests of the frontier guards. In their first few days of their posting on the Tajik-Afghan border, the Kazakh frontier guards seized 75 kg of drugs. According to experts, no less than 200 tonnes of drugs in all are being transported across the Pamirs per year, of which about 70 per cent is being shipped beyond CIS borders. The profit from these operations justifies the risk: a kilogram of raw opium fetches 500,000 - 600,000 rubles on the border in Badakhshan, whereas in Dushanbe its price reaches six million rubles (an enormous sum in Tajikistan), while in Moscow the same kilogram costs 12,000 U.S. dollars. Therefore one cannot expect the drugs mafia to accept loss of control over the drug transport routes.

Besides, according to the information of the frontier guards and official Dushanbe, the opposition also takes an active part in drugs sales to replenish its funds. This, plus financial assistance from some Islamic countries and international organizations, allows it to have the most update arms. On 11 April, during a meeting of Tajik and Russian frontier guards with opposition field-commanders, the latter demanded the withdrawal of troops from the Vanch and Yazgulem border posts, which are well-known channels for drugs movements.

Local craftsmen are also engaged in the drugs trade. This is really the only way to survive for many of them.

Against this background, the Kazakh frontier guards as well as their Russian and Tajik counterparts can hardly expect to see calm come to the border. Operations are more likely to become more active soon. The progress of the inter-Tajik talks gives no grounds for optimism. Moreover, the frontier guards themselves do not believe in a positive outcome to the talks, thinking that operations will last a long time on the border with Afghanistan. They explain the temporary and relative calm as a re-grouping by the guerrillas.

At the same time, the frontier-guards rule out the possibility of a military victory of the opposition, despite the opinion of some Russian newspapers. Military operations will most probably take on a protracted nature, with periodic exchanges of fire - a kind of "chronic warfare".

Colonel Toktasyn Busubayev, deputy commander of the border troops of Kazakhstan, who fully understands the situation in Tajikistan, is convinced that the Tajik opposition missed its opportunity to gain a military victory last year. Busubayev thinks that a repetition of the mass civil war of 1992-1994 is already impossible. Moreover, the people are tired of the war. [passage omitted]

Turkmenistan

Niyazov Leaves for VE Celebrations in London

LD0605173395 Moscow INTERFAX in English 1410 GMT 6 May 95

[From the "Presidential Bulletin" feature: By Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Saparmurad Niyazov flew to London Saturday [6 May] to attend celebration on the 50th anniversary of defeat of the Nazi Germany.

Officials in Turkmenistan's Foreign Ministry told Interfax that Niyazov will fly on to Paris on May 8 and to Moscow on May 9 for the same purpose.

Relationship With Russia Seen as Exemplary

MM0905140495 Moscow ROSSIYSKAYA GAZETA in Russian 5 May 95 First Edition pp 9, 11

[Interview with President Saparmurat Niyazov by unidentified correspondent; place, date not given: "Saparmurat Niyazov: The Sands of the Karakum

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Will Not Divide Us. The President of Turkmenistan Answers ROSSIYSKAYA GAZETA's Questions"]

[FBIS Translated Text] [ROSSIYSKAYA GAZETA] Mr. President, Turkmenistan has now been developing as an independent sovereign state for more than three years. What successes and, maybe, failures have marked this period?

[Niyazov] Toward the end of the 20th century — a century of great political and social upheavals — mankind marked its development by an event whose place in the hierarchy of historical dates the experts still have to determine. But it is perfectly clear even today that the emergence of new independent states, including Turkmenistan, on the territory of the former USSR changed the picture of the world and became the epicenter of an explosion of world public interest in the vigorous processes occurring on the territory of one-sixth of the earth's land area in respect of the self-determination of the peoples inhabiting it.

For Turkmenistan, fortunately, this process was not attended by cataclysms, and circumstances did not push us into hasty, outwardly very striking, yet not wholly considered decisions.

This was largely the result of the measures taken to prevent chaos in the country and a drop in the population's living standards and to preserve stability and civil peace. We were perfectly well aware that only by resolving this triune task could we advance along the path of fundamental socioeconomic transformations. We succeeded in this. Although Turkmenistan's economy experienced in full measure the burdens of the transitional period and the consequences of the disintegrated economic ties among the former union republics, its population felt confident and protected.

We set the lowest, virtually symbolic prices for bread and flour and introduced free use of water, gas, and electricity. No, this was not populism. It was a sober calculation, and time has shown that it was right.

Having ensured social guarantees for the population, the government prepared conditions for actions directly relating to a market reorientation: Carefully and pragmatically, without excitement, it drew up a program of reforms whose strategy was determined by the choice of an evolutionary path of development, while the tactic included structural restructuring, the formation of a mixed economy, and state regulation of economic processes. Briefly, its essence is characterized by the two most important, main directions: self-sufficiency in food and the rational, efficient utilization of our own resources.

I shall cite just a few data. Turkmenistan today is a state with a deficit-free budget. A traditional supplier of raw materials for many years, it is rapidly turning into a producer of finished output. In accordance with the adopted three-year plan, approximately 700 enterprises, primarily with a processing profile, will be built in the country with a population of 5 million, mainly with internal investments. Foreign investments are increasingly being attracted — by the end of last year they totaled approximately $3 billion. Over 70 foreign firms and companies from 22 countries are working in our country. Foreign trade turnover is growing at a high rate, and exports significantly exceed imports. You ask about successes. It seems to me that we have good reason to talk about them. As for failures, well, no one is insured against them. We do not gain experience of state building in student auditoriums — life itself examines us, and sometimes theory does not keep up with practice. Nevertheless, despite all the difficulties, Turkmenistan is continuing its forward movement along the path of independence.

[ROSSIYSKAYA GAZETA] Turkmenistan is rich in minerals and, in particular, in oil and gas. How do you rate the possibilities of using the revenue from their exports in the interests of the country's development?

[Niyazov] Gas, oil, and cotton form the basis of Turkmenistan's economy. Exports of energy sources provide approximately 70 percent of budget receipts. At present, however, only an insignificant proportion of the country's colossal natural potential is being realized. Meanwhile, known gas stocks alone amount to 15.5 trillion cubic meters, and oil stocks to 6.3 billion tonnes. World experience attests that, given a competent, purposeful policy, such stocks can ensure the state's steady economic growth.

This is why an aggressive program, as it is frequently called, has been drawn up in Turkmenistan for the development of the gas and oil industries and for accelerated integration into the world economy. It pursues three ends: to increase extraction of raw materials, to build strong processing enterprises, and to lay down new export routes, since the needs of the traditional importers of Turkmen gas — the former Soviet republics — are considerably less than the planned extraction and, in addition, they chronically break payment deadlines, and their total debts to Turkmenistan run to over $2 billion.

We are now also working actively on a number of transportation and pipeline projects which must ensure a reliable system for exporting our commodities, including energy resources, to international markets. These include the construction of new mainline railroads, which we will carry out jointly with Russia, gas pipelines in the direction of Europe and the South Asian subcon-

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tinent, and other projects. They are all at the stage of practical elaboration.

The seriousness of our intentions and the resoluteness of our approach to such complex, large-scale tasks, which we have to face because of the need for the accelerated development of the oil and gas sector, are causing major world companies to devote deserved interest and attention to Turkmenistan. Many of them have already expressed readiness to invest in a number of projects on terms advantageous to us. With the help of foreign capital we are reckoning on increasing gas extraction to 230 billion cubic meters and oil extraction to approximately 80 million tonnes by 2010. It is easy to calculate how the income from their exports and, accordingly, the state's potential and the well-being of its people will increase, if we also bear in mind the fact that approximately 80 percent of the state budget in Turkmenistan is spent on social programs.

[ROSSIYSKAYA GAZETA] While a member of the CIS, Turkmenistan has certainly not always abided by the common line within the framework of this organization. What accounts for this stand of Turkmenistan's? What is your view of the present and future of the CIS?

[Niyazov] First of all, let us specify what is meant by "common line." If it is the awareness of the need for an equitable partnership for the sake of achieving common, mutual advantage and the desire to work out a reliable mechanism of cooperation meeting the national interests of each state, then Turkmenistan undoubtedly abides by such a common line. But if it implies the idea of recreating a rigid union with some supranational controlling and coordinating center, we say "No."

It is a strange thing but at one time, in times not so far off, Turkmenistan was accused of lacking its own opinion. Now people try to interpret its stance as a pose. Both of these are wrong.

Turkmenistan regards itself not as belonging to any local sociopolitical system but as a natural constituent of human civilization — which certainly does not rule out the country's very active participation in interstate associations at any level, including the CIS. Moreover, it advocates the preservation of the single economic and cultural area and the establishment of bilateral and multilateral ties over the whole range of issues. But it is obvious that it will be hard to achieve all this if we think in stereotypes of the vanished Union and try to adapt the obsolete economic mechanism to the heterogeneous and far from perfect economies of the new independent states.

For us the CIS today means, above all, each specific state, with which we want to have lasting bilateral, mutually advantageous relations. In the process of deepening and strengthening them the integrational state interests will be determined, and the Commonwealth will take shape and define its legal status. Only, the course of events should not be accelerated artificially — we already have sad experience of revolutions.

[ROSSIYSKAYA GAZETA] Turkmenistan is implementing a policy of expanding cooperation with foreign countries. Which partners are preferred, taking into account your country's present state and the prospects for its economic development? By which main principles is Turkmenistan guided in the implementation of its foreign policy at the level of the region and in the world as a whole?

[Niyazov] In subscribing to the Helsinki Treaty in 1992, we proclaimed a policy of positive neutrality and noninterference in other states' affairs. The realization of this idea on a practical plane conditioned a characteristic feature of Turkmenistan's foreign policy strategy: to arrange mutually advantageous partnership relations with all countries without some geographic "linkage" — European, Asian, or American — regardless of their political, ideological, or religious orientation.

Our neutrality, however, is not a fixed state or an attempt at self-isolation. On the contrary, it is a means of entering the world community by means of accord and cooperation. The entire three-year experience of our independent development confirms the correctness of the choice made. Being at the meeting point of Europe and Asia, between the young states of the former Union and the countries of a region which was tightly sealed off by an iron curtain for an entire historical epoch, we were aware that Turkmenistan was becoming a transit territory and a place where international trade and economic interests intersected. It was this circumstance that prompted us at the Islamabad meeting of heads of state of the Economic Cooperation Organization to advance a proposal relating to our readiness to act as a peacekeeping center in the region, as an Asian version of Switzerland or Austria, which have made a big contribution to the development of international relations by elaborating the practice of applying peaceful, political methods to resolving various international conflicts and disputes. I must say that our initiative was supported by the heads of all the delegations, who pointed out that precisely Turkmenistan, by virtue of internal social stability and a neutral foreign policy course, and also thanks to its geopolitical situation, could become the place in the region where it would be possible, without conventionalities, to resolve the questions that arise on both a bilateral and a multilateral level. Thus, in Islamabad we secured the support of our immediate neighbors and now hope for support and for recognition of

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our neutral status among other countries and in international organizations. I will point out that the preliminary consultations with Russia and certain Western powers in this connection put us in an optimistic mood.

[ROSSIYSKAYA GAZETA] Practically all the republics of the former Soviet Union, particularly those in the Central Asian region, have come up against the problem of an exodus of the Russian- speaking population. But no such thing is happening in Turkmenistan. What, in your view, is the reason for this?

[Niyazov] I believe that the reason lies, above all, in the atmosphere of civil peace and accord in the country, in the consistent, corrected course of socioeconomic reforms, and in guarantees of equally security of constitutional rights and freedoms for every citizen of Turkmenistan of whatever nationality and religion. It is characteristic that one of independent Turkmenistan's first normative acts was a law on tougher punishment for fanning interethnic strife. Fortunately, this article of the criminal code has not been used, since there has not yet been a corresponding occasion.

Let us put the question differently: Get away from what? What preconditions are there for this? Admittedly, about two years ago the Russian-speaking population was on the point of starting to leave. But the outflow quickly subsided. Many of those who did, nonetheless, leave are now returning to Turkmenistan. In private conversations they ascribe their return to a desire to regain the mental equilibrium and the psychological comfort which they lost on leaving this land and taking their leave of its people, who have never divided their fellow countrymen into newcomers and locals. And then, they say, our rights in Turkmenistan are reliably protected by a double legislative barrier, as it were: the country's constitution and the law on dual citizenship with Russia.

[ROSSIYSKAYA GAZETA] Russia is Turkmenistan's political partner, and we are united by almost 150 years of living within the framework of a single state. What place, in your opinion, is allotted to Russia as Turkmenistan's partner?

[Niyazov] Turkmenistan and Russia have found the true key to the development of their ties, based on civilized legal norms and on exclusively mutual trust. I am no lover of ringing phrases, but this time I probably cannot avoid a diplomatic cliche: In many ways our relations can serve as an example of how to search for and discovery new forms of mutually advantageous and equitable partnership.

This is beautifully illustrated by the whole post-Soviet history of our cooperation. Turkmenistan is the only CIS country to have signed the treaty with Russia on dual citizenship. And there is no analogue for the model of cooperation in joint guarding of the border, which, incidentally, functions highly efficiently and, in the sides' unanimous opinion, helps to create a general climate of security in the region.

Moscow's interest in cooperation in utilizing and exploiting Turkmenistan's natural riches is starting to be realized, maybe somewhat belatedly. Russia is a member of an interstate council for organizing exports of Turkmen energy sources to world markets. A future project for joint management of construction of oil and gas sector installations, as well as for the construction of a railroad opening up access to the Persian Gulf not only for Russia and the Central Asian states but also for West Europe, is regarded as one of the most promising projects. A branch of the Russian Credit Bank is opening in Ashgabat this spring, and the bank will act as a credit and financial intermediary between Russia and Turkmenistan.

Caspian Basin Economic, Scientific Cooperation

LD0905185195 Ashgabad TURKMENSKAYA ISKRA in Russian 03 May 95 p1

[FBIS Translated Text] The continuing threatening rise of the Caspian's level demands the special attention of all who are connected with this problem in any way. Together with international experts and colleagues from the Caspian littoral states, Turkmen scientists are actively studying the issue of the hydraulic instability of the sea and its consequences.

Representatives of the "Caspian Initiative" mission of the UN Development Program, who visited Turkmenistan, and Turkmen specialists have defined for themselves the main directions of cooperation. As a priority, the Turkmen side singled out the regulation of the Caspian's level, protection and utilization of its biological resources, and the cleansing of the polluted water area.

The local experts also noted the importance of solving socio-economic problems and defining the status of the Caspian Sea. The national draft plan of Turkmenistan aims to single out spheres for exerting joint efforts.

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As the Ministry for the Use of Natural Resources and the Protection of the Environment of the country has reported, at present the governments of the Caspian countries are considering the initial option of a regional project, based on national-level variants. They will present their comments and proposals at the final meeting in Tehran, which is to take place at the beginning of the summer. In the event of unanimous approval of the project, the Global Fund for the Environment will take upon itself the financing of the project, while each state in the region will become an independent recipient of financial assistance from the Fund.

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Azerbaijan

Aliyev Congratulates Yeltsin on VE-Day

NC0905182095 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1250 GMT 9 May 95

[FBIS Translated Text] Azerbaijani President Geydar Aliyev has sent a congratulatory cable to Russian President Boris Nikolayevich Yeltsin on the occasion of VE-Day. The cable says:

Your Excellency Boris Nikolayevich, in the name of the Azerbaijani people and personally I wholeheartedly congratulate you and all Russians on the occasion of the 50th anniversary of the victory over the Hitler fascism during the Great Patriotic War. The memory of this self-sacrifice, which consolidated with blood the centuries old ties between our peoples, lives and will always live in our hearts. At present, Russia and Azerbaijan are going through a complex transition period on the way to creating independent and democratic states. The anniversary of the great victory reminds us once again the glorious friendship and potential cooperation between our fraternal peoples. I believe that with joint efforts we will eliminate all the difficulties, reach peace and stability in the region, and ensure a worthy standard of living for our peoples.

Once again I congratulate you on VE-Day and wish health and happiness to you and to the Russian people. Please convey my sincere gratitude to the Russian veterans of the Great Patriotic War.

Mutalibov Held in Moscow, To Be Extradited

NC0905160695 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1250 GMT 9 May 95

[Statement by the Azerbaijan Interior Ministry Press Service— read by announcer]

[FBIS Translated Text] A coded message from the Moscow Police Headquarters to the Azerbaijani Interior Ministry on 8 May said that Ayaz Niyazioglu Mutalibov, who has been wanted by the police based on an international warrant, was detained there at around 2130 on 7 May in accordance with an agreement on legal cooperation between Russia and Azerbaijan. Mutalibov is accused of organizing a group that disrupted law and order, thereby violating Article 188, paragraph 3, of the Azerbaijan criminal code; and with cooperating with individuals who impersonated officials, in violation of Article 192 of the Azerbaijan criminal code. He was also charged with unlawful flight to avoid prosecution.

Azerbaijani Interior Ministry officials arrived in Moscow to escort Ayaz Mutalibov to Baku, where he will be turned over to the appropriate agency.

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Estonia

President Meri Cited on VE Day Ceremonies

LD0905173795 Tallinn Estonian Television Network in Estonian 1500 GMT 9 May 95

[FBIS Translated Text] The fact that Estonia has stayed away from the World War II festivities in Moscow is understood by all European leaders. This is what President Lennart Meri said today on his return from a visit to Britain and France. In London, the Estonian head of state attended the festivities in Hyde Park commemorating 50 years from the end of World War II, had a meeting with British Foreign Minister Douglas Hogg and attended a dinner hosted by Queen Elizabeth II, in Buckingham Palace.

On 8 May, Meri attended the commemoration ceremony in Paris, near the Arc de Triomphe, and a dinner given by French President Francois Mitterrand.

Meri Comments on Trip to Paris, Letter to Yeltsin

LD0905211795 Tallinn Radio Tallinn Network in Estonian 1700 GMT 9 May 95

[FBIS Translated Excerpt] President Lennart Meri has returned from his visits to Britain and France. He made a statement during his news conference at the airport:

[Begin Meri recording] Over the past few days, over 50 world heads of state assembled in London and Paris, among them your president. Many of them have of course much more reason to celebrate the end of World War II than we here can ever guess. [passage omitted]

Not all of those heads of state, however, went on to Moscow from Paris. I have to tell you — and I feel quite pleased about this — that I did not have to explain to anybody at all the reasons for not going to Moscow, or why the heads of state of Latvia, Lithuania, and Poland also did not consider it possible to attend the events taking place in Moscow at present. Despite the fact that the Russian Foreign Ministry, as you may recall, timed its statement very carefully immediately before our visit to London, in which it attempts to drive a wedge between the president of the Republic of Estonia and the government, pointing to the Estonian president as a kind of (?sore) and the government of the Republic of Estonia as a government which has promised to Moscow to alter the course of Estonian foreign policy.

I can assure you that nothing of the sort has happened. I have stated this also to CNN and Euronews: that Estonia will be continuing its foreign policy line with full cooperation between the president and the government. The texts of all our statements have a single aim: to consolidate the achievements we have so far reached in preparation for our European agreement and its initialling. This is also the path we will continue to follow.

It is clear to Estonia that we want to improve our relations with all our neighbors. It is equally clear to Estonia that in this world, we can choose only between Western European democracy and CIS. The Estonian people made their choice a long time ago: Estonia has been part of Western Europe and still is.

If you now ask me what was the key Estonian message to Europe, then I would think that a small country has to recall sometimes that one cannot trade one's principles. I believe that this is something we have to repeat to ourselves first and foremost and we also have to state this boldly and in a friendly manner to all those who need reminding. [end recording]

A crowd of people was marking Victory Day near the Tonismagi monument in Tallinn today, with Russian flags flying. Urmas Loit went along:

[Loit] [passage omitted] There was perhaps some hostility against the journalists who were either recording, taking notes, or taking pictures. A subconscious fear of the Estonian authorities which is mixed with intolerance regarding the changes of the past five years constitutes a set of problems which Estonia has to resolve in the interests of the state.

In the morning, Russian Ambassador Aleksandr Trofimov also brought a wreath to the monument. Yesterday he did not find a moment to attend any state ceremony. President Lennart Meri told journalists at the airport that he understands the reasons behind the Russian diplomat's behavior. Estonia, too, is not represented in Moscow:

[Begin Meri recording] It is not in our interests to overdramatize such situations. I can tell you that I wrote a letter to President Yeltsin in which I explained very frankly those reasons which make it impossible for me to accept his invitation. It is quite certain that President Yeltsin perhaps even understands these reasons. It is a different matter whether he can say so aloud — and try to understand also the Russian ambassador. I think that he had to react in like fashion in one way or another to my forced absence from Moscow. [end recording]

Meri Views Independence, Cooperation With Russia

LD0905222895 Tallinn Estonian Television Network in Estonian 1800 GMT 9 May 95

[FBIS Translated Excerpt] Small nations must remind the others from time to time that trading of principles is no good. This is what President Lennart Meri

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emphasized today, on his return from a visit to Britain and France. [passage omitted]

We must continue to state that trading principles makes it attractive to give in. Principles were traded in both Tehran and Yalta, and as a result, we lost our independence, said the president. In World War II Estonia was not able to fight under its own flag, and had to fight against an alien flag, Meri emphasized. This is a tragedy which our people were forced to go through.

[Meri] I think that those directly affected by this understand that we wish to bring our painful past to a dignified end. But the dignified end can (?understandably) be of the kind where the Russian Federation and the Republic of Estonia are equal partners and where individual politicians of the Russian Federation no longer attempt to depict us as obedient satellite states. [passage omitted]

Meri: Russia Must Give Up Stalinist Foreign Policy

WS1005092595 Tallinn BNS in English 2049 GMT 9 May 95

[FBIS Transcribed Text] Tallinn, May 09, BNS — Democratic Russia must abandon Stalinist aggressive foreign policy, Estonian President Lennart Meri said Tuesday upon his return from West Europe where he attended celebrations of the 50th anniversary of the end of World War II.

"I've repeatedly told Russian politicians I hope President Boris Yeltsin will distance himself from Stalin's aggressive foreign policy," Meri said. "I regret to say I fear that the upcoming Russian parliamentary elections have given rise to a tense situation, which leaves Yeltsin little room for maneuvering toward this end."

The Baltic presidents' decision to give the victory celebrations in Moscow a miss was not misunderstood in Paris and London, the president stated.

"A Russian Foreign Ministry statement, timed very exactly for release immediately before our departure for London, attempted to drive a wedge between the Estonian president and government, representing the president as a hawk and claiming the government had made promises to Moscow to change Estonia's foreign political course," Meri said. He continued with assurances there are no differences of opinion between him and the Cabinet.

"I've also assured CNN and Euronews that Estonia will keep its foreign policy on track with full cooperation between the president and the government," Meri stated.

The president said the aim of all statements made by the government and himself was to consolidate the position Estonia has attained in the course of preparing and initialing the Europe Agreement. "Estonia realizes that in this world it can only choose between West European democracy and the Commonwealth of Independent States," Meri said. "The people of Estonia have already made their choice. Estonia was and is a part of Western Europe."

Western politicians went to Moscow to negotiate with Russian leaders and president in the hope that Russia will find "moral courage to put an end to bloodshed in Chechnya," the president said. "This is the primary reason why President (Bill) Clinton and other (Western leaders) went to Moscow," Meri claimed.

In the president's words, his main message to Europe was that one does not bargain over principles. "We have to say that principles became an article of trade at the Tehran and Yalta conferences, as a result of which Estonia, Latvia, and Lithuania lost their independence and Poland and other Central European states, their sovereignty," Meri said.

Trade in principles releases a domino effect that won't stop halfway, the president continued, adding that concessions over principles began with the Korean war and led to civil war in former Yugoslavia. "One does not bargain over principles, as also Francois Mitterrand, a great European, pointed out in his speech in Berlin when he said Europe is at its own mercy," Meri noted.

Russians Celebrate VE Day in Tallinn

LD0905120895 Tallinn Radio Tallinn Network in Estonian 0900 GMT 9 May 95

[FBIS Translated Excerpt] Victory Day is also being celebrated in Tallinn. Urmas Loit reports from Tonismagi [central Tallinn], which is decorated with Russian flags, from the monument to the liberators.

[Loit, with singing in Russian in the background] Here in Tonismagi, the former Square of Liberators is full of people, older people are glad to meet each other and remember old times. Near the monument, people are singing war-time songs. Some ladies are reading poetry and the rest join in. [passage omitted]

Several people who saw the correspondent's microphone thought that building work [in the square] should not have been started before tomorrow. [passage omitted]

The city authorities have removed parts of the fence so that people can have access to the square. [passage omitted]

At a recent meeting with journalists, President Lennart Meri expressed the opinion that the town authorities

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should not have caused tension by building the fence. Urmas Mikk from the council of central Tallinn thought that work would not be completed by winter if it had been delayed. The site of Tonismagi would seem to be a painful subject for the city authorities since Urmas Mikk declined to have a longer discussion with the Estonian radio correspondent. [passage omitted]

Finnish Commander of Defense Forces Arrives

LD1005130395 Tallinn Radio Tallinn Network in Estonian 1200 GMT 10 May 95

[FBIS Translated Excerpt] Today Lieutenant General Gustav Haegglund, the commander of Finnish defense forces was met with ceremony at Tallinn airport. Here is a report from Urmas Loit.

[Loit] Finnish Defense Forces Commander Gustav Haegglund was met by our defense forces commander Aleksander Einseln, with a guard of honor. The top Finnish military official has several meetings ahead of him — alongside the defense forces commander he will be meeting the president and the defense minister. Tomorrow the general will visit Paldiski, the Kalev battalion, and the defense forces general staff.

There was no statement for the press available at the time of arrival. Colonel Arvo Sirel, the chief of staff at the Estonian defense forces headquarters, agreed to talk to Estonian Radio about Estonian-Finnish military cooperation.

Asking Sirel what is the importance of the military cooperation between Estonia and Finland and what should be most appreciated here?

[Begin recording] [Sirel] I can only say very briefly: It is (?considerable). The main thing is training. [passage omitted] According to a previous meeting with Gen. Lehtomaeki, the head of the first department of the Finnish defense forces general staff, when I was in Finland a month ago, this work continues. Defense ministers are due to sign an agreement to this end in the near future. Our job was to assess our capabilities and make recommendations.

[Loit] Have any kind of talks been held about naval and Air Force officers?

[Sirel] At the moment there are both naval and Air Force specialists (?waiting) in both countries. (?Training at least for one) but in the future when an agreement is finally signed it envisages a two-year course for three Air Force and three naval officers.

[Loit] Are there no plans to obtain arms from Finland?

[Sirel] The issue of arms comes henceforth and finally under the Defense Ministry. [end recording]

Police Seize Five Kilograms Uranium in Haapsalu

LD1005094095 Tallinn Radio Tallinn Network in Estonian 0900 GMT 10 May 95

[FBIS Translated Text] The press service of the Ministry of Internal Affairs has reported that the staff of the section in the central criminal police fighting organized crime have detained two residents of Laanemaa district who attempted to sell to a policeman — who was acting as a prospective buyer — approximately five kilograms of uranium, of isotope 238. Residents of Haapsalu, Toomas Maripuu and Tarmo Poks, wanted to sell this quantity of metal for half a million kroons. Radiation from the container, which had been the object of the waiting game, exceeded the natural radiation background 50 times.

As Koit Pikaro, the commissar of the group in the central criminal police fighting organized crime, said the present quantity of uranium has been circulating in Haapsalu for nearly a year. It has been offered for sale to different people and, according to Pikaro, at the moment they are trying to identify possible accomplices of the abovementioned suspects.

Latvia

Prime Minister Meets Canadian Deputy Foreign Minister

LD0905130895 Riga Radio Riga Network in Latvian 1200 GMT 9 May 95

[FBIS Translated Text] Meeting today with Canadian Deputy Foreign Minister Gordon Smith, Prime Minister Maris Gailis thanked him for technical aid granted to Latvia. The amount has already reached $6.4 million. Gailis noted that it would be particularly important for Latvia to make use of Canadian experience in organizing the work of customs and welcomed Canada's readiness to provide consultations to the Latvian privatization agency. Latvia hopes for Canada's support in order to secure the status of observer in the Organization for Economic Cooperation and Development and to become a member state of the World Trade Organization.

'Work and Fairness' Election Coalition Formed

LD1005131695 Riga Radio Riga Network in Latvian 1200 GMT 10 May 95

[FBIS Translated Text] A new election coalition agreement — Work and Fairness — was signed today by The Latvian Association of Free Trade Unions; the Latvian Social Democratic Workers' Party; the Latvian Democratic Labor Party; the Latvian Party for Protection of

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Deceived People, and Justice; the Central Bureau of Latvian Trade Unions; and the Social Democratic Women's Party.

The coalition calls as its main aim for the transformation of the Latvian state into a democratic, socially, and economically just, prosperous, free, law-governed, and national state. The coalition is against communism, national extremism, subordination of society and the state to [word indistinct] interests of (?craving for) property and power, and is against securing funds for the state budget by increasing taxes.

Economics Ministry Drafts State Strategy in Industry

LD0905191895 Riga Radio Riga Network in Latvian 1300 GMT 9 May 95

[FBIS Translated Text] The Economics Ministry worked out a concept for state strategy in industry. Prospects for this sphere have been set down and there are seven areas: light industry; machine construction and metal processing; radioelectronics and electrical engineering; the chemical industry; wood-processing; building material manufacture; and the food industry. The means determined for implementing the main thrusts of it are giving state guarantees for credits; favorable customs conditions for importing raw materials and for exporting produce; exempting investment from taxes. The concept also provides proposals for further work in legislation, tax policy, privatization, and elsewhere.

Business Papers Criticize Central Bank Activities

WS0905114495 Tallinn BNS in English 1000 GMT 9 May 95

[FBIS Transcribed Text] Riga, May 09, BNS — The Bank of Latvia's supervision over commercial banks is targeted against its clients, according to a Latvian business daily.

The central bank becomes active only after clients and depositors of an unsuccessful commercial bank are likely to receive no compensation for their resources because the failed bank has not got anything left, wrote DIENAS BIZNESS (Daily Business).

In addition, the Bank of Latvia does not allow foreign banks to enter the country's finance market although many local banks have lost the confidence of residents, the paper said.

Another newspaper, BIZNESS & BALTIJA (Business & Baltija), cracked down Monday on the high exchange rate of the Latvian national currency, the lat. The ungroundedly high rate has already caused destruction of more than a half of the country's industrial and agricultural potential, it said.

The central bank's tough monetary policies, including the negative (taking into account inflation) rate of interest, is also beginning to ruin import-oriented trade.

The local capital that was freed by bankruptcies of trade firms may flow abroad, wrote BIZNESS & BALTIJA.

Latvia has the highest domestic prices and the highest salaries in the former Soviet Union because of the high rate of its national currency. Consequently, the local personnel and the local service have turned out to have the lowest competitive ability.

Lithuania

Lithuania to Participate in NATO Exercises

LD1005105995 Moscow INTERFAX in English 0944 GMT 10 May 95

[FBIS Transcribed Text] Vilnius, May 9 (Interfax) — Lithuania will take part in military exercises to be held under the auspices of NATO this year in the Czech Republic, Denmark, Belgium, Poland and the U.S. This transpires from the Individual Program of Partnership between Lithuania and NATO for 1995 which the Secretary (deputy minister — IF) of Lithuania's Foreign Ministry Albinas Januska formally handed to NATO's senior officials in Vilnius Tuesday [9 May].

As the republican Foreign Ministry's press service has reported to an Interfax correspondent, the first Individual Program was signed in Brussels last November. A new one is expected to be endorsed by the NATO countries' foreign ministers on May 31 to bring Lithuania and NATO closer together.

Lithuania's leaders have repeatedly declared that their main strategic task is to join NATO as soon as possible. Therefore, the republic has been actively involved in NATO's Partnership for Peace program, as part of which a NATO-sponsored seminar on the problems of organizing military exercises got under way in Vilnius Monday. Meanwhile, Lithuania and U.S. plan a joint peacekeeping exercise in that Baltic republic in August.

Country To Control Airspace Despite Lack of Planes

WS1005134195 Tallinn BNS in English 1309 GMT 10 May 95

[FBIS Transcribed Text] Vilnius, May 10, BNS — Lithuania is prepared to control its airspace even though the country's air force does not have enough planes and equipment, says Lithuanian Defense Minister Linas Linkevicius.

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In an interview with BNS, Linkevicius admitted that there are still a number of uncontrolled airspace zones but said he expected greater efficiency after the implementation of several Defense Ministry schemes. The minister refused to disclose the essence of these plans.

Last week, the Lithuanian Air Force held an exercise to check the operability of available airspace control means. In a simulated situation, a plane flying from Lithuania to Poland was detected and forced to land. The "violator," a Russian-made AN-2, was intercepted by two Lithuanian air force training jets L-39 Albatross.

However, a similar plane pierced through Lithuanian airspace unchallenged three days after the training. It entered Lithuanian airspace from the Kaliningrad region and crossed the Lithuanian-Polish border in the southwestern Vilkaviskis region. Supposedly, the plane carried either contraband goods or illegal immigrants from Asian or African countries.

Lithuanian air force commanders say it is impossible to patrol the skies properly with only four training jets available to them. Belgium, which is similar to Lithuania in size, reportedly has 110 fighter jets.

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